

AGREEMENT

**35264**

THIS AGREEMENT is made and entered, in duplicate, as of April 5, 2019 for reference purposes only, pursuant to Resolution No. RES-19-0025 adopted by the City Council of the City of Long Beach at its meeting on March 5, 2019, by and between W.W. GRAINGER, INC., an Illinois corporation ("Contractor"), whose address is 100 Grainger Parkway, Lake Forest, IL 60045, and the CITY OF LONG BEACH ("City"), a municipal corporation.

WHEREAS, Section 1802 of the Long Beach City Charter permits the City to make purchases under the purchasing contracts of other governmental agencies when authorized to do so by a resolution; and

WHEREAS, the City desires to purchase hand tools, automotive tools, specialty tools, hardware and miscellaneous items; and

WHEREAS, the Region 4 Education Service Center through the Cooperative Purchasing Network has a contract for the maintenance, repair and operations, and supplies and related services, Contract No. R142102 ("CPN Contract"); and

WHEREAS, Resolution No. RES-19-0025 authorizes the City to purchase maintenance, repair and operations, and supplies and related services by virtue of the CPN Contract;

NOW, THEREFORE, in consideration of the terms and conditions contained in this Agreement, the parties agree as follows:

1. The CPN Contract with Contractor, attached hereto as Exhibit "A", is incorporated by this reference as if fully set forth, and the same terms and conditions contained in the CPN Contract shall be applicable here except as follows:

A. Wherever the CPN Contract refers to the Region 4 Education Service Center through the Cooperative Purchasing Network, it shall be deemed to refer to the City of Long Beach;

1 B. Contractor shall sell, furnish and deliver to the City hand tools,  
2 automotive tools, specialty tools, hardware and miscellaneous items of  
3 substantially the same type and kind purchased under the Region 4 Education  
4 Service Center through the Cooperative Purchasing Network, as modified by  
5 Exhibit "B" attached hereto and incorporated by this reference, in an amount not to  
6 exceed Four Hundred Thousand Dollars (\$400,000), including tax and fees. To  
7 the extent that the CPN Contract and this Agreement are inconsistent, the  
8 following priority shall govern: (1) this Agreement and (2) the CPN Contract.

9 C. Payment for the hand tools, automotive tools, specialty tools,  
10 hardware and miscellaneous items purchased from Contractor by the City shall be  
11 made by the City on delivery to and acceptance of the hand tools, automotive  
12 tools, specialty tools, hardware and miscellaneous items by the City and submittal  
13 of an invoice to the City. Payment is due thirty (30) days after the date of the  
14 invoice.

15 D. The term of this Agreement shall commence at midnight on  
16 July 1, 2019, and shall terminate at 11:59 p.m. on June 30, 2021. The parties  
17 have the option to extend the term for three (3) additional one-year periods, at  
18 the discretion of the City Manager. In the event the underlying Agreement  
19 expires prior to the renewal term, Contractor will enter into a new Agreement with  
20 substantially similar terms and conditions.

21 E. All warranties shall accrue to the City of Long Beach.

22 2. Neither this Agreement nor any money that becomes due to  
23 Contractor under this Agreement may be assigned by Contractor without the prior written  
24 consent of the City Manager or his designee.

25 3. Any notice given under this Agreement shall be in writing and  
26 personally delivered or deposited in the U.S. Postal Service, return receipt, and shall be  
27 delivered or mailed to Contractor at the relevant address first stated above, and to the  
28 City at 333 West Ocean Boulevard, Long Beach, California 90802 Attn: City Manager.

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

1 Notice shall be deemed given three days after deposit in the mail.

2 4. The terms appearing on the CPN Contract are incorporated in this  
3 Agreement.

4 5. Contractor shall cooperate with the City in all matters relating to self-  
5 accrual of use tax. Contractor shall contact the City Treasurer for additional information  
6 regarding self-accrual.

7 6. This Agreement and all documents which are incorporated by  
8 reference in this Agreement constitute the entire understanding between the parties and  
9 supersede all other agreements, oral or written, with respect to the subject matter of this  
10 Agreement.

11 IN WITNESS WHEREOF, the parties have caused this document to be duly  
12 executed with all formalities required by law as of the date first stated above.

13  
14  
15 June 26, 2019

16  
17 7/5, 2019

W.W. GRAINGER, INC., an Illinois  
corporation

By [Signature]  
Name Robert Laughlin  
Title Vice President, Direct Sales

By [Signature]  
Name Tom Modica  
Title Assistant City Manager

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER

CITY OF LONG BEACH, a municipal  
corporation

By \_\_\_\_\_, 2019  
City Manager

"City"

24  
25 This Agreement is approved as to form on July 2, 2019.

26  
27 CHARLES PARKIN, City Attorney

28 By [Signature]  
Deputy

UNITED STATES OF AMERICA )  
 )  
STATE OF ILLINOIS ) SS  
 )  
COUNTY OF LAKE )

On June 26, 2019, before me, Janet L. Scholz, a notary public in and for the State of Illinois, Robert Laughlin personally appeared, personally known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in his authorized capacity.

Illinois Notary Public



**CERTIFICATE OF DESIGNATION  
FOR SALES OF PRODUCTS AND SERVICES**

Pursuant to resolutions adopted on July 25, 2018 by the Board of Directors of W.W. Grainger, Inc. (the "Corporation"), which resolutions relate to the execution and delivery of certain documents for and on behalf of the Corporation, I, D.G. Macpherson, Chairman of the Board and Chief Executive Officer of the Corporation, hereby (i) designate the following persons affiliated with the Corporation as individuals duly empowered to execute and deliver, for and on behalf of the Corporation, bids, quotations, purchase orders and other documents relating to the sale or proposed sale of products and services associated with the business of the Corporation, and (ii) authorize the following persons to designate, subject to such conditions, limitations and restrictions as the Chairman of the Board and Chief Executive Officer of the Corporation may from time to time impose, other persons affiliated with the Corporation as individuals likewise duly empowered to execute and deliver, for and on behalf of the Corporation, bids, quotations, purchase orders and other documents as aforesaid:

<u>Name</u>	<u>Title</u>
Mark C. Hanna	Vice President, National Accounts and Consulting Team
Samuel Johnson	Vice President, Sales Operations
Rudy Juarez	Vice President, GM, Mexico, LATAM, and Export
Robert W. Laughlin	Vice President, Direct Sales
Deidra Merriwether	Sr. Vice & President, Direct Sales and Strategic Initiatives
Michael Murphy	Vice President, Healthcare
Debra S. Oler	Sr. Vice President & President, North American Sales and Service
Paige Robbins	Sr. Vice President, Chief Merchandising, Marketing, & Digital Strategy Officer

This Certificate of Designation supersedes all prior Certificates of Designation pursuant to the above-mentioned resolutions relating to the sale or proposed sale of products and services associated with the business of the Corporation.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Designation to be effective as of the 11<sup>th</sup> day of JUNE, 2019.



D.G. Macpherson  
Chairman of the Board and  
Chief Executive Officer

# EXHIBIT "A"



February 27, 2015

Mr. Jeff MacNeil  
Senior Government Sales Manager  
W.W. Grainger, Inc.  
100 Grainger Parkway  
Lake Forest, Illinois 60045

Re: Award of TCPN Contract # R142102

Dear Mr. MacNeil:

Per official action taken by the Board of Directors of Region 4 Education Service Center, on February 24, 2015, The Cooperative Purchasing Network (TCPN) is pleased to announce that after approval of the exceptions as agreed upon in the terms and conditions, W.W. Grainger, Inc. has been awarded an annual contract for the following, based on the sealed proposal (RFP# 14-21) submitted on December 10, 2014:

**Commodity/Service**

**Contractor**

Maintenance, Repair & Operations (MRO)  
Supplies and Related Services

W.W. Grainger, Inc.

The contract is effective April 1, 2015 and will expire on March 31, 2018. As indicated above, your TCPN Contract # is R142102. This contract may be renewed annually for an additional two (2) years if mutually agreed by Region 4 ESC/TCPN and W.W. Grainger, Inc.

Your participation in the proposal process is appreciated and we look forward to a successful partnership. Please feel free to provide copies of this letter to your sales representative(s) to assist in their daily course of business.

If you have any questions, please feel free to contact Deborah Bushnell at 713.554.0460.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Wickel", is written over a large, stylized checkmark or flourish.

Jason Wickel  
President

# Region 4 Education Service Center ("ESC")

## Maintenance, Repair and Operations Supplies and Related Service

On behalf of itself, other government agencies and non-profits, made  
available through The Cooperative Purchasing Network "TCPN."

## **REQUEST FOR PROPOSAL** Solicitation Number 14-21

> Submitted by:  
Jeffrey MacNeil  
W.W. Grainger, Inc.

December 10, 2014



**GRAINGER**

**GRAINGER**  
FOR THE ONES WHO GET IT DONE



**Grainger's Response to  
The Cooperative Purchasing Network (TCPN)  
Request for Proposal (RFP) – Solicitation Number 14-21 by  
Region 4 Education Service Center (ESC) for  
Maintenance, Repair and Operations (MRO) Supplies & Related Services**

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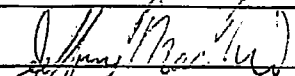
**Region 4 and TCPN RFP**

<b>Tab One .....</b>	<b>1</b>
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### **VENDOR CONTRACT SIGNATURE FORM**

The undersigned hereby proposes and agrees to furnish goods and/or services in strict compliance with the terms, specifications and conditions at the prices proposed within response unless noted in writing. The undersigned further certifies that he/she is an officer of the company and has authority to negotiate and bind the company named below and has not prepared this proposal in collusion with any other Respondent and that the contents of this proposal as to prices, terms or conditions of said proposal have not been communicated by the undersigned nor by any employee or agent to any person engaged in this type of business prior to the official opening of this proposal.

Prices are guaranteed: **120 days**

Company name W.W. Grainger, Inc.  
Address 100 Grainger Parkway  
City/State/Zip Lake Forest, IL 60045  
Telephone No. (804) 357-3158  
Fax No. N/A  
Email address jeff.macneil@grainger.com  
Printed name Jeff MacNeil  
Position with company Sr. Government Sales Manager  
Authorized signature 

**Accepted by The Cooperative Purchasing Network:**

Term of contract \_\_\_\_\_ to \_\_\_\_\_

Unless otherwise stated, all contracts are for a period of three (3) years with an option to renew annually for an additional two (2) years if agreed to by Region 4 ESC and the awarded vendor. Awarded vendor shall honor all administrative fees for any sales made based on a contract whether renewed or not.

\_\_\_\_\_  
Region 4 ESC Authorized Board Member

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Region 4 ESC Authorized Board Member

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

TCPN Contract Number \_\_\_\_\_

**Appendix D:**  
**GENERAL TERMS & CONDITIONS ACCEPTANCE FORM**

*Signature on Vendor Contract Signature form certifies complete acceptance of the General Terms and Conditions in this solicitation, except as noted below (additional pages may be attached, if necessary).*

**Check one of the following responses to the General Terms and Conditions:**

☐ We take no exceptions/deviations to the general terms and conditions

*(Note: If none are listed below, it is understood that no exceptions/deviations are taken.)*

☒ We take the following exceptions/deviations to the general terms and conditions. All exceptions/deviations must be clearly explained. Reference the corresponding general terms and conditions that you are taking exceptions/deviations to. Clearly state if you are adding additional terms and conditions to the general terms and conditions. Provide details on your exceptions/deviations below:

*(Note: Unacceptable exceptions shall remove your proposal from consideration for award. Region 4 ESC shall be the sole judge on the acceptance of exceptions/deviations and the decision shall be final.)*

Please refer to the following three pages for clarifications to the General Terms and Conditions.

## Appendix D – General Terms and Conditions Grainger Clarifications



- Section 8.4 Grainger will submit the data for all purchases made under this agreement within the same reports and in the same format as currently being provided under the current Grainger TCPN MRO contract.
- Section 9.1 Please remove this section for the reasons explained above in Section 3.3.
- Section 9.2 Please remove this section and reference the Pricing Exhibit D Pricing Summary.
- Section 9.4 Please remove this section and reference the Pricing Exhibit D Pricing Summary.
- Section 10.1 Please note that Grainger reserves the right to pre-approve any third party auditors to ensure that they or their affiliates do not have conflicts of interest with Grainger. Please be aware that Grainger works diligently to maintain pricing integrity and we do not anticipate any issues. However, in the event of an audit under this section, we propose that the cost of the audit will be negotiated at the time when all information is available to determine the source of the pricing inaccuracies.
- Section 11.3 Please remove this section and reference to the Pricing Exhibit D Pricing Summary.
- Section 11.3 and 11.4  
Please note that all new products for the market baskets will be mutually approved by the parties. Since breadth of selection is one of Grainger's key benefits we do not anticipate that TCPN would like to restrict new products from the general catalog offering. While new products which are added to the catalog can typically be often found on the new products drop down menu on [www.grainger.com](http://www.grainger.com), Grainger cannot provide advance notice of new product adds. Additionally, as this is a catalog contract, new catalog items may be added at Grainger's discretion. New product pricing is described in Exhibit Pricing Summary
- Section 11.7 Please note that Grainger typically does not sell this type of raw material and we do not expect this to apply. However, Grainger cannot perform this request for any product.
- Section 12.6 Please remove this section as it does not apply to this type of MRO contract.
- Section 13.5 Pursuant to this requirement, the Parties shall enter into a limited license agreement after award for TCPN use of Grainger marks.
- Section 13.6 Grainger proposes to continue to provide certificates upon request as we have found this works best for both parties.
- Section 13.7 Please strike "Applicable laws and regulations must be followed even if not specifically identified herein."
- Section 13.8 While the reports are not included in this RFP response, we would like to make TCPN aware, consistent with Grainger's current policy, all reports are confidential and proprietary information and cannot be disclosed to third parties. The systems used to provide this reporting are the result of an immense financial investment by Grainger. For this reason, we ask that this material be protected from competitors who choose not to make such an investment. Therefore, please note that all reports are the property of Grainger for internal use by TCPN and the TCPN Member unless otherwise approved by Grainger. If you have any questions about the use of reporting data please contact me.

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**TAB 2  
QUESTIONNAIRE  
(APPENDIX E)**

- Will the products accessible through your diversity program or partnership be offered to TCPN members at the same pricing offered by your company?  
☒ Yes ☐ No

(If answer is no, attach a statement detailing how pricing for participants would be calculated.)

### 3. Minority and Women Business Enterprise (MWBE) and (HUB) Participation

It is the policy of some entities participating in TCPN to involve minority and women business enterprises (M/WBE), small and/or disadvantaged business enterprises, disable veterans business enterprises, historically utilized businesses (HUB) and other diversity recognized businesses in the purchase of goods and services. Respondents shall indicate below whether or not they hold certification in any of the classified areas and include proof of such certification with their response.

#### a. Minority Women Business Enterprise

Respondent certifies that this firm is an MWBE

☐ Yes ☒ No

List certifying agency: \_\_\_\_\_

#### b. Small Business Enterprise (SBE) or Disadvantaged Business Enterprise (DBE)

Respondent certifies that this firm is a SBE or DBE

☐ Yes ☒ No

List certifying agency: \_\_\_\_\_

#### c. Disabled Veterans Business Enterprise (DVBE)

Respondent certifies that this firm is a DVBE

☐ Yes ☒ No

List certifying agency: \_\_\_\_\_

#### d. Historically Underutilized Businesses (HUB)

Respondent certifies that this firm is a HUB

☐ Yes ☒ No

List certifying agency: \_\_\_\_\_

#### e. Historically Underutilized Business Zone Enterprise (HUBZone)

Respondent certifies that this firm is a HUBZone

☐ Yes ☒ No

List certifying agency: \_\_\_\_\_

#### f. Other

Respondent certifies that this firm is a recognized diversity certificate holder

☐ Yes ☒ No

List certifying agency: \_\_\_\_\_

### 4. Residency

Responding Company's principal place of business is in the city of Lake Forest State of IL.

### 5. Felony Conviction Notice

Please check applicable box:

- ☒ A publicly held corporation; therefore, this reporting requirement is not applicable.
- ☐ Is not owned or operated by anyone who has been convicted of a felony.

- In addition to the current typical unit pricing furnished herein, the Vendor agrees to offer all future product introductions at prices that are proportionate to Contract Pricing.  
☒ Yes ☐ No

(If answer is no, attach a statement detailing how pricing for participants would be calculated.)

- Pricing submitted includes the required administrative fee. ☒ Yes ☐ No

(Fee calculated based on invoice price to customer)

- Additional discounts for purchase of a guaranteed quantity? ☒ Yes\* ☐ No

\*Please see volume discount in Exhibit D - Pricing Summary

## 9. Cooperatives

List any other cooperative or state contracts currently held or in the process of securing

Cooperative/State Agency	Discount Offered	Expires	Annual Sales Volume
Please see response below			

Grainger has contracts with nearly all fifty states, and numerous political subdivisions in those states as well as several contracts with the Federal Government and its military branches. In keeping with Grainger policy, all customers' contracts are confidential unless other wise approved for disclosure by that customer. Grainger will ask for permission to disclose the existence of its existing cooperative agreements during negotiations provided disclosure can be limited solely to those at Region 4 and TCP who are involved in this aspect of the bid. Additionally, if approved by the respective organizations, Grainger will also disclose discounts, expiration dates and annual sales volume at that time.

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**Appendix F:  
COMPANY PROFILE**

Please provide the following:

1. Company's official registered name.

Grainger Industrial Supply, a division of W.W. Grainger, Inc.

2. Brief history of your company, including the year it was established.

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.

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 W.W. Grainger, Inc. branches globally, 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.

3. Company's Dun & Bradstreet (D&B) number.

Grainger's Dun & Bradstreet (D&B) number is 005-10-3494

4. Corporate office location.

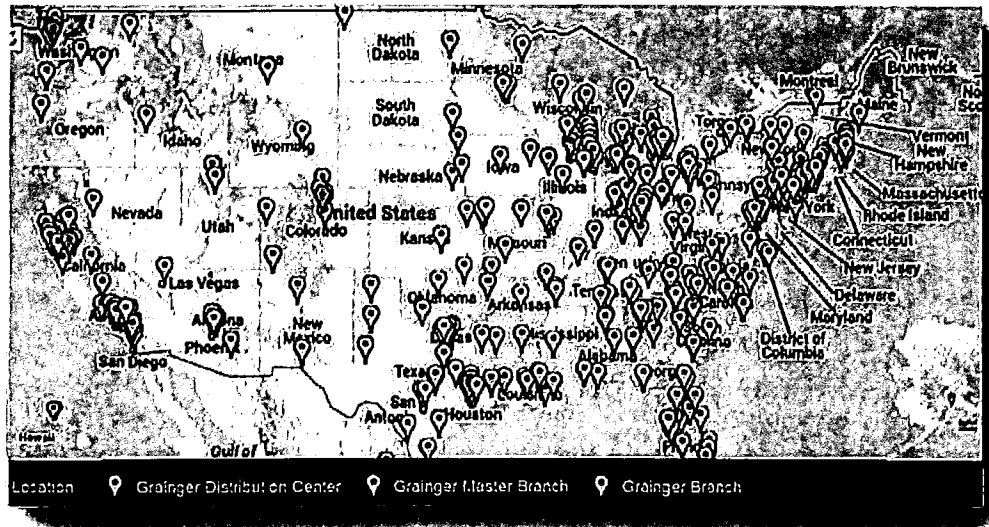
W.W. Grainger, Inc.  
100 Grainger Parkway  
Lake Forest, IL 62045



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In addition to the distribution centers listed above, please see Exhibit C – Grainger Distribution Centers and Local Branches, for a complete listing of Grainger's distribution centers and local branches, including addresses and contact information. TCPN Members may also locate their closest Grainger branch online at **Grainger.com – Find A Branch** (Figure 2).



(Figure 2 – Grainger Industrial Supply Locations Map)

With more than 23,700 knowledgeable employees, the Grainger Sales teams and Customer Service teams are focused on providing TCPN Members with relevant solutions to meet their initiatives. Grainger's employees serve more than two million customers daily, which are inclusive of TCPN Members, through multiple channels.

7. Provide the number of retail stores/storefront locations that your organization has, broken down by State.

As stated above in Question 6, Grainger currently has over 350 local branches and 13 distributions centers located across the United States.

Please see the chart below and continued to the next page (Figure 3) for all of Grainger's locations in each state:

State	Number of Branches	Distribution Center
Alaska	1	
Alabama	6	
Arkansas	4	
Arizona	5	
California	36	Patterson and Mira Loma
Colorado	7	Denver
Connecticut	5	
Florida	22	Jacksonville
Georgia	10	

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8. Describe how your organization will ensure agencies receive the Region 4 ESC contract pricing in retail stores/storefront locations.

Upon award, existing TCPN Members that are purchasing products under the existing TCPN contract will transition over to the new Master Agreement from the first day the terms and conditions of this contract take effect. Any new TCPN Member that would like to utilize the new Master Agreement and its terms will execute the standard affiliation declaration process that is in place today under our existing agreement, which can be done electronically or via hard copy through [www.grainger.com/content/tcpn](http://www.grainger.com/content/tcpn).

Grainger's SAP system works behind the scenes to ensure correct contract pricing. Pricing is tied to a customer's account number. As part of the implementation process for the new contract, each new TCPN Member that advises Grainger of their desire to purchase under the new Master Agreement will have their account aligned to the Region 4 and TCPN's contract pricing in Grainger's SAP system. When placing orders under their account, customers will automatically access the contract pricing regardless of whether they are placing an order through a customer service team member, at a local branch, through [Grainger.com](http://Grainger.com) or through a TCPN Member's eProcurement system.

9. Detail any rebates, custom core lists, or other incentive offers, that will be extended through the contract.

Please refer to Exhibit D – Pricing Summary.

10. Please provide contact information for the person(s) who will be responsible for the following areas, including resumes:

- a. Sales
- b. Sales Support
- c. Marketing
- d. Financial Reporting
- e. Executive Support

Grainger will continue to support our successful partnership with one point of contact that will coordinate all sales support efforts including, but not limited to, sales, sales support, financial reporting, marketing and contracts.

Jeff MacNeil  
Senior Government Sales Manager  
Email: [jeff.macneil@grainger.com](mailto:jeff.macneil@grainger.com)

Jeff MacNeil will coordinate all Grainger resources to support the various requirements of the Master Agreement.

**1. Jeff MacNeil Resume**

Sr. Government Sales Manager – Cooperative Contracts  
10 years' experience with Grainger

- Sr. Government Sales Manager – Cooperative Contracts
- District Director, Customer Service
- District Sales Manager - Government
- Government Regional Program Manager- Janitorial
- Government Account Manager

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**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 Sales Managers, 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 TCPN 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 Region 4 and TCPN. 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 (KeepStock®) programs.
- Grainger also brings extensive experience in assisting customers when emergencies arise, including efficient and effective Emergency Operations Center Support assistance 24/7.
- 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.

**11. Define your standard terms of payment.**

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

**12. Who is your competition in the marketplace?**

Grainger considers the following companies competitors in the marketplace:

Applied Industrial Technologies  
Fastenal  
Home Depot Supply  
Manhattan Supply Company (MSC) Industrial Direct  
McMaster-Carr  
Regional and local suppliers

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Consistent technology and operational systems across the enterprise enables us to have uniform customer, supplier and transactional information, allowing us to deliver an exceptional level of service to customers no matter how they choose to do business with us - through our branches, service centers or over the internet. To support this multi-channel sales and service integration, Grainger has chosen SAP as its core enterprise resource planning software system. SAP provides Grainger with powerful tools to streamline and grow its business across channels.

Grainger's IT platform underpins the company's foundation, providing real-time information and tools for all of the company's businesses. Grainger plans to migrate all of its businesses in the Americas to a single SAP platform based on the company's current U.S. installation. These changes will be phased in over the next several years and will allow the company to further leverage its scale while improving operating efficiency for its growing international businesses.

### **Marketing**

- **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.
- **eCommerce Channel**  
Over \$1.1 billion in sales is conducted each year through Grainger's eCommerce channel.
- **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 Agreement.
- **General Catalog**  
Hard copies of catalogs are printed and provided directly to customers.
- **Supplier Diversity (Small, Disadvantaged, Woman Owned, Veteran Owned Businesses)**  
Customers 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 are communicated with and trained on the Agreement and the value that it drives for Members and for their businesses.
- **Advertising**  
Government Procurement Publications: Grainger ads that highlight the new contract and general benefits and information to readers (Quarterly)
- **Local Contract Benefit Seminars**  
Focus on Government State agencies and municipalities administrators to review the contract benefits and ease of use with Grainger
- **Email**  
Targeted Contract Benefits and Awareness emails sent to State, municipality and county employees
- **Grainger.com custom landing pages**

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**17. What differentiates your company from competitors?**

Grainger feels that our vertical organizational structure, (I) product breadth and depth (II) government sales experience and its independence from our other sales force teams, ability to tailor our sales force to our customers' needs, our sales force certifications, our (III) Inventory Management Solutions, our (IV) Exclusive Brand offering, (V) Emergency Preparedness for Natural Disasters, (VI) Consulting Services team and knowledge of Cooperative purchasing are all factors that separate us from the competition.

**I. Grainger's Product Breadth and Depth**

Through Grainger's logistic network, we carry over \$1.25 billion in inventory on hand each and every day, which is supplied by over 4,800 Grainger suppliers and manufacturers.

**II. 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.

**III. 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®.

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- **KeepStock® Track<sup>SM</sup>**
  - *An Inventory Management Solution to Help You Track the Movement of MRO Inventory*
- **KeepStock® Mobile<sup>SM</sup>**
  - *The Inventory Management Solution for Your Mobile Environment*
- **KeepStock® Secure<sup>SM</sup>**
  - *An Industrial Dispensing Solution Using Secure Machines to Control Supplies Usage*

**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.*

Please refer to the Value Add Tab (Appendix G) for additional information on our KeepStock solutions.

**IV. Exclusive Brands**

Grainger offers "Private Line" products, which Grainger labels as Exclusive Brand products as shown in Figure 5 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 Region 4 and TCPN 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

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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 550 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 currently has over 10,000 accounts utilizing our Order Management platform, which allows Customers to create customizable order approval workflows and spend limits per user. Grainger has a support team in place to help in the creation of users as well as building the approval workflows. We have experience creating simple 1-to-1 user-to-approver workflows, to complex multi-user to a single approver, multiple approvers or even a reviewer. There are multiple ways to the Order Management system up from allowing Full Rights Users the ability to create Users and Approvals directly on the site, to a Walk-up options that allows users to go to the site and self-register on their own via an account number or we can Upload users through an Excel template that a Customer can populate. Grainger works with our Customers during the implementation phase to determine the best way to create the user id's, approvers and workflow that meet your needs.

Overall, Grainger is well positioned to support today's eCommerce market and to continue to be an innovator in the MRO market. With its eCommerce capabilities and its distribution support, customers may choose to call, fax, walk-in, order over the Internet through Grainger.com, place an ePro order or order through a procurement solution such as **Ariba, SAP or Oracle** and be confident they are receiving the customer service Grainger has built its business on for more than 87 years.

#### **eCommerce Solution Overview**

The following solutions have been designed to support customers from a business and technical standpoint to progress with Internet-based procurement at no additional cost to our customers:

- **Grainger.com** - A solution that allows users to find the products they need, compare like items, and purchase products efficiently. Users can also access real time availability and track purchase history. This solution is available on a desktop computer as well as on smartphone devices through the Grainger mobile site or the Grainger app.
- **Advanced Features of Grainger.com** - The approval, spend limits and workflow, and reporting features of Grainger.com are a no cost solution that Grainger can provide. Improve control over spend and increase contract compliance with these features.
- **eProcurement** - Grainger offers the ability to integrate its General Catalog and buying process with customers' purchasing and ERP systems. Grainger connects to customers through electronic marketplaces, exchanges or enterprise purchasing software systems using universal technology standards such as EDI and cXML. Grainger also offers a shopping solution comprised of Grainger specific data deployed behind the customer's firewall.

#### **Grainger.com**

Grainger.com provides online ordering capabilities and product search capabilities with full access to Grainger inventory and services. Some of the benefits that Grainger.com provides are:

- **Access to over 1,200,000 products** for each of your USA sites
- Your specific **Grainger Agreement pricing**
- **Search Tools** to assist in finding the products needed.

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- **Order History** - You have easy access to your Order History from any page on the site. Simply log in and click on the Order History link in the "Your Profile" box. Search for orders containing a particular item number; sort by any column; add previously purchased items to an order or a personal list; or view item details, which now include a product image. The Order History page displays a list of all your online orders within the past 2 years. (Order History will not reflect orders placed over the phone or at your local branch.)
- **Click to Call/Chat** – Our new "Click to Call/Chat" feature layers the great service provided to customers on the phone and in the branches into Grainger.com. If any of your employees have a question when shopping on the site – about products, technical specifications, or account information – a knowledgeable representative is just a click away. Employees can chat instantly online with a Grainger representative, or enter a phone number for immediate dial back for a live conversation.
- **Auto Reorder** - Auto-Reorder is a feature that helps you make sure you don't run out of the products you need by allowing you to set up recurring orders. You decide exactly how much you need and how often you need it, and we'll take care of the rest. You'll always receive email notifications before your order is automatically replaced, and you can adjust or cancel orders at any time.
- **Product Reviews and Ask & Answer** - Product Reviews on Grainger.com mean you can get honest feedback from other people who have used our products. Now you have access to information that will help you make more informed buying decisions and provide feedback that will help us serve you better. With Ask & Answer, you now have the expertise of fellow customers, Grainger staff and other contributors to help guide you through all of your toughest product-related questions.
- **eQuotes** – Lets you view your actively quoted items and easily add those items to an order on Grainger.com or your procurement system. You can also leverage the Grainger.com Order Management System to electronically route orders with quoted items for internal approval.
- **Product technical support** – Any of your locations can email a product question directly to Grainger online. The questions are forwarded by email, to the appropriate subject matter expert, who in turn responds. This type of email product support saves you time and money.
- **Product search capabilities and Matchmaker selection guidelines** – Grainger.com's unique advanced Search feature allows each participating location to search by keywords, brand, product category, or Grainger catalog page number. This feature allows a customer to view the full Grainger catalog page. Other search features allow the search by Grainger item number or manufacturer model number. Enhanced features help customers find items within certain product categories based on specifications needed. This helps customers save significant time by not having to page through a catalog or an index, or having to call for help to find one of these products.
- **Grainger branch locator** – Any of your locations can enter their zip code, area code, or state, and they will obtain information on the nearest Grainger branch along with the address, telephone and fax numbers, and a map to that location.
- **Supplier Diversity Products** – Grainger.com offers easy access to a wide range of quality products from small, disabled, minority, and women-owned businesses that participate in Grainger's Supplier Diversity Program. Simply click on the Supplier Diversity Search button to view a list of Supplier Diversity Products.



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19. Describe your company's level of expertise with web-based procurement providers such as ESM, SciQuest, Lawson, Oracle, SAP, Peoplesoft, and all others your company has successfully interfaced with a public agency.

**eProcurement**

eProcurement solutions automate the purchase and invoicing of MRO purchases. With eProcurement, companies are able to control spend more effectively, increase the amount of spend being managed, reduce purchasing agent overhead and improve requisition-to-order cost and cycle time. Grainger offers the following eProcurement solutions and services:

**Electronic marketplaces**

Grainger connects to customers through electronic marketplaces, exchanges or enterprise purchasing software systems using universal technology standards such as cXML. Customers can "Punch-Out" to Grainger's online catalog, create a requisition and return the shopping cart back to the marketplace for review and approval.

Direct connections to customers' Enterprise Resource Planning (ERP) systems Grainger offers the ability to integrate its General Catalog and buying process with customers' purchasing and ERP systems. Customers who wish to "Punch-Out" directly from their ERP can access Grainger's online catalog and return the shopping cart back to their purchasing system to manage the order workflow.

- Grainger can currently support up to an ANSI X12 version 6020.
- Grainger can currently support all versions of cXML.
- Grainger supports xCBL 3.5 version.

eProcurement, the computer-to-computer exchange of documents such as purchase orders, invoices and payments, eliminates many of the manual steps involved in processing transactions, increases data accuracy, and taking cost out of the customer's procure to pay process.

The charts on the following page (Figure 6) reflect Grainger's experience and flexibility in offering customers options for **Marketplaces, Technology Standards and Electronic Catalog formats**. 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 550 new eProcurement integrations. We currently add approximately 1-2 new connection per day and continue to refine our processes to expedite the delivery of our integrated solutions.

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In addition, to ensure the continuity of the Account Management team, all team members are cross trained and share key Region 4 and TCPN requirements to fulfill contract compliance. In addition to the Account Management team, Grainger's local branches and their Customer Service team members have continuous training, information and knowledge to effectively service all Region 4 and TCPN requirements.

Having great leaders is a cornerstone of success for Grainger. Our leadership will be fully trained and will complete a rigorous on-boarding and ongoing training program.

Grainger has experience in managing Contracts for maintenance, repair and operations (MRO) needs. We have positioned a team of qualified Government Account Managers and Government Account Relationship Managers, which gives us the distinct advantage of being prepared to execute when the contract is awarded.

22. Describe your company's ability to create and maintain a dedicated TCPN page on your company's website, as well as any other capabilities your company may have of promoting the contract online.

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

**Grainger.com Landing Page**

Grainger has developed a TCPN landing page for TCPN Members on Grainger.com (Figure 7), which can be accessed via the following link:

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

This landing page features new products, a contract overview and live links to solutions to assist TCPN 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 TCPN Members, including information regarding products available through the existing TCPN - Grainger contracts.

(Figure 7 – TCPN Landing Page)

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24. Describe your company's Customer Service Department (hours of operation, number of service centers, etc.).

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, approximately 4,700 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.

Please refer to Exhibit C – Grainger Distribution Centers and Local Branches.

**Customer Service Toll-Free Help Desk**

Grainger maintains a toll-free customer service number (1-800-GRAINGER) to provide assistance to TCPN 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. TCPN 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 Region 4 and TCPN 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, Region 4 and TCPN will be supported by a Senior Government Sales Manager, who facilitates the contract education, implementation and management of the Region 4 and TCPN 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.

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**Marketing / Sales**

26. Detail how your organization plans to market this contract within the first ninety (90) days of the award date. This should include, but not be limited to:

- a. A co-branded press release within first 30 days
- b. Announcement of award through any applicable social media sites
- c. Direct mail campaigns
- d. Co-branded collateral pieces
- e. Advertisement of contract in regional or national publications
- f. Participation in trade shows
- g. Dedicated TCPN and Region 4 ESC internet web-based homepage with:
  - i. TCPN and Region 4 ESC Logo
  - ii. Link to TCPN and Region 4 ESC website
  - iii. Summary of contract and services offered
  - iv. Due Diligence Documents including; copy of solicitation, copy of contract and any amendments, marketing materials

Grainger's Region 4 and TCPN specific marketing plan will incorporate cooperation with Region 4 and TCPN marketing and sales leadership. This marketing plan activates a nationwide coverage targeting all TCPN 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 TCPN Members. Grainger will also utilize webinars, trade publications, direct mail, internet-based advertising and trade shows as an opportunity to further market the Region 4 and TCPN Contract.

Immediately 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 Agreement. These messages will endorse the new 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 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 Agreement.

- a. Grainger will continue to work with and support Region 4 and TCPN to develop and distribute a new co-branded press release within the first 30 days after a contract award. Grainger and Region 4 and TCPN will identify a targeted list of publications for the press release and other related communications.
- b. Grainger will announce the Region 4 and TCPN Contract award on social media websites.
- c. The Region 4 and TCPN Contract and related benefits may be promoted to all current and potential Members through Grainger's and Region 4 and TCPN's direct mail programs. This program has been successfully utilized in the past to communicate contract benefits to Grainger customers. We will continue to collaborate together; we can build upon this success and drive contract awareness deeper into our respective customer bases. In addition, this communication program may be extended to include other topics of interest. Communications may include specific products, services, and solutions of interest to our target audience.

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All products, services and solutions will be offered to all current and potential new TCPN 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 Region 4 and TCPN 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. TCPN landing page created for Members. When Members log into grainger.com, they are directed to a landing page that highlights the Region 4 and TCPN 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 Region 4 and TCPN Contract.
- General Catalog: Hard copies of catalogs are printed and provided directly to customers. TCPN Members receive the Grainger catalog, with the product offering tied directly to the Region 4 and TCPN Contract and value offering. Grainger will continue to target TCPN Member locations with the Grainger catalog.
- Supplier Diversity (Small, Disadvantaged, Woman Owned, Veteran Owned Businesses): TCPN 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 Region 4 and TCPN Contract and the value that it drives for Members and for their businesses.

Grainger will continue to work in conjunction with Region 4 and TCPN 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 TCPN Members. Such efforts may consist of case studies, collateral pieces and presentations.

**27. Describe how your company will demonstrate the benefits of this contract to eligible entities if awarded.**

Grainger will train and educate the Sales team members with on the new Agreement who will discuss all of the contract benefits with any eligible entities. Grainger will also partner with Region 4 and TCPN Regional Program Managers to demonstrate the value of the Agreement to educate potential eligible entities. Grainger will demonstrate the value of the Agreement through our core value proposition, KeepStock value estimator (articulates the value of the Region 4 and TCPN program), quarterly business reviews, marketing materials, in-house marketing through our Cooperative site and internal collateral for our sales force.

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**Region 4 and TCPN Agreement Marketing Plan:**

- Sales Force customer implementation
- Grainger's Cooperative Contract team will actively market the new Region 4 and TCPN contract by working closely with the Government Sales Force on eligible customer opportunities
- Government Tradeshow
  - Incorporate the new Region 4 and TCPN contract awareness into all Grainger participating State and Local Government tradeshow and conferences
- Grainger.com TCPN Landing Page and Cooperative Contracts Landing Page information
- Support all relevant TCPN member email and direct marketing campaigns
- National Advertising Campaigns
  - Position the Region 4 and TCPN logo in all relevant Government advertising publications
- Government Catalogs and Public Safety Catalogs:
  - Position the Region 4 and TCPN logo and contract information in Grainger's Government segment catalogs

29. Provide a detailed ninety (90) day plan describing how the contract will be implemented within your firm.

***This response is confidential and proprietary to Grainger.***

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Grainger will train and educate our national public sector sales force and the Region 4 and TCPN team on the features and benefits of our new Agreement. The training plan includes four main phases, as detailed here:

- Starting with the training materials Grainger and Region 4 and TCPN worked together to develop and which were used with the existing agreement, Grainger will work with the Region 4 and TCPN team to update those training materials to incorporate changes, enhancements and benefits provided under the new Agreement.
- Grainger will work with Region 4 and TCPN to develop online training materials to allow for delivery through a Web-Ex format which will then be presented to a national audience. The training objectives are to provide a complete overview of the new Agreement and how Grainger team members will continue to deliver great service, relevant solutions and contract compliance under and with the new Agreement.
- The training will be rolled out nationally, 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.
- 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 Agreement to market for our mutual customers.

31. Acknowledge that your organization agrees to provide its company logo(s) to Region 4 ESC and agrees to provide permission for reproduction of such logo in marketing communications and promotions.

Upon contract award, Grainger will provide Region 4 and TCPN with Grainger's corporate logo and updated use requirements pursuant to the terms of a limited data license agreement as executed by and between the parties.

32. Provide the revenue that your organization anticipates each year for the first three (3) years of this agreement.

\$ 17.8 million in year one  
\$ 20.4 million in year two  
\$ 24.5 million in year three

This RFP response has been specifically tailored for Region 4 and TCPN with a focus on city, county and education customers. Upon contract award, the Agreement will be offered as an option to TCPN Members. Further, Grainger will work with Region 4 and TCPN in marketing the contract with a goal of trending growth. Although Grainger cannot guarantee contract sales, we will use reasonable commercial efforts to ensure the estimated volume for the Agreement should reach the revenue values listed above. This RFP response has been specifically tailored for Region 4 and TCPN.

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- 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.

36. Describe the capacity of your company to provide management reports, i.e. consolidated billing by location, time and attendance reports, etc. for each eligible agency.

#### **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 Region 4 and TCPN Members fully understand the MRO supplies being purchased and frequency in order to assist in demand management.

##### **Order History Report**

An Order History Report is a valuable feature that gives Region 4 and TCPN 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 Region 4 and TCPN Members to assist in determining what products purchased can be categorized as "green." Using historical data, Grainger will assist Region 4 and TCPN Members in setting and measuring your progress towards EPP goals.



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If TCPN Members meet the requirements for Grainger's Summary Billing program and choose to participate in this cost savings program, Region 4 and TCPN will choose:

1. Manner in which bill is sorted
2. Cycle ending day

Summary billing sorts and subtotals individual invoices over a specified time frame. Region 4 and TCPN may select from more than twenty sorting options. Each month, Region 4 and TCPN will receive a bill approximately one week after the selected cycle-end date.

37. Do you have a policy or policies requiring compliance with all federal, state, international and applicable local laws? Please attach or provide a link:

Yes, please see Exhibit F - Grainger Business Conduct Guidelines.

38. Do you have a compliance department? If so, please list the standards this department monitors compliance with (e.g. applicable federal and state laws, internal policy, ISO processes, GSA regulations, etc.).

Grainger is a product distributor and, therefore, compliance is measured differently than for a manufacturer of goods.

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; our team members are trained regarding best practices in Government Procurement and Ethics.

All team members certify to Grainger's Business Code of Conduct, requiring team member adherence to all applicable federal, state and local regulations and ethical behavior.

Grainger has also developed and implemented a separate Code of Ethics specifically applicable to team members servicing our Government Customers. Included are our No Gift Policy, commitments regarding Procurement Integrity and detail of internal processes ensuring compliance with corporate policy.

While W.W. Grainger, Inc. is not presently ISO-certified, Grainger has put in place many aspects of the certifications and employs ISO-certified team members. We understand and appreciate standards related to quality management systems, environmental stewardship and other ISO standards.

ISO 9001 certification and the application of the Balanced Scorecard are supported by a Project Management Office. Grainger selects reputable ISO-certified companies. Each ISO-certified supplier tests and validates that products meet or exceed an industry quality standard where an industry standard exists. These are the same companies that supply the national brand products we sell every day.

39. Within the past 5 years, has your organization been made aware of any investigations involving your organization for violation(s) of a law or laws, the legally authorized penalties for which exceeded \$500,000?

If yes, please list all such investigations and their outcomes:

No

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**Green Initiatives**

We are committed to helping to build a cleaner future! As our business grows, we want to make sure we minimize our impact on the Earth's climate. So we are taking every step we can to implement innovative and responsible environmental practices throughout Region 4 ESC to reduce our carbon footprint, reduce waste, promote energy conservation, ensure efficient computing, and much more. We would like vendors to partner with us in this enterprise. To that effort, we ask respondents to provide their companies environmental policy and/or green initiative.

41. Please provide your company's environmental policy and/or green initiative.

Grainger currently has over 30,000 environmentally preferable products (EPP) that will help Region 4 and TCPN 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 Region 4 and TCPN'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

Grainger's online Green Resource Center at <http://www.grainger.com/content/green-resources> can assist Region 4 and TCPN 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 9 on the following page):

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### **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 Region 4 and TCPN 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

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](http://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.

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The EPA's voluntary SmartWay<sup>SM</sup> 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, SmartWay<sup>SM</sup> partners have saved nearly 1.5 billion gallons of diesel fuel and prevented the formation of 14.7 million metric tons of carbon dioxide (CO<sub>2</sub>) and other emissions that contribute to climate change. By continuing to examine Grainger's freight operations, as well as working with carriers who are SmartWay<sup>SM</sup> 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.
- 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 CO<sub>2</sub> 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.

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- 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

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](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.

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45. What policies and initiatives promoting diversity within your supplier base do you have?

Grainger supports the growth and development of minority, women, veteran and service disabled veteran-owned small businesses. And we do business with these companies more than ever before. Our comprehensive Supplier Diversity business strategy helps diverse companies supply products, goods and services to us. We use these products and services in our own operations as well as market them to customers through Grainger's many sales channels.

Now it's easier than ever to meet your supplier diversity goals. Purchase products from Grainger and instantly extend your reach to a diverse supplier base of small, women-, minority-, veteran, service-disabled veteran, and LGBT-owned businesses. We purchase products for our own facilities from these suppliers, and we are proud to offer their quality products to you, too.

Please attach copies of the policies or provide links:

[http://www.grainger.com/content/supplier-diversity?currenturl=%2FGrainger%2Fstatic%2Ffos\\_supplierdiversity.html](http://www.grainger.com/content/supplier-diversity?currenturl=%2FGrainger%2Fstatic%2Ffos_supplierdiversity.html)

**Vendor Certifications (if applicable)**

Provide a copy of all current licenses, registrations and certifications issued by federal, state and local agencies, and any other licenses, registrations or certifications from any other governmental entity with jurisdiction, allowing respondent to perform the covered services including, but not limited to licenses, registrations or certifications. M/WBE, HUB, DVBE, small and disadvantaged business certifications and other diverse business certifications, as well as manufacturer certifications for sales and service must be included if applicable.

**Not Applicable**

**Appendix I:**  
**EVALUATION QUESTIONNAIRE/SELF CHECKLIST**

**Products/Pricing (40 Points)**

1. Are all products and services being proposed listed under APPENDIX B on a corresponding electronic device? ☐Yes ☒No

Due to the over 1.1 million products being offered to Region 4 and TCPN, Grainger would like to offer the products via online at Grainger.com.

2. Is there a price list for all available products/services on a corresponding electronic device? ☐Yes ☒No

The Market Basket is being provided electronically. Due to the over 1.1 million products being offered to Region 4 and TCPN, Grainger would like to offer the products via online at Grainger.com.

3. Did you provide the warranty information that is offered by your company? ☒Yes ☐No

**Product Warranty**

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.

## Repair Service

Grainger does not currently manage a repair program; however, your local Grainger branch can refer you to the appropriate General Catalog manufacturer repair program. For customers, needing warranty tracking or repair and replacement services, Grainger can investigate with the customer if an integrated storeroom management solution best fits their needs. Currently, Grainger works with a partner in its Distributor Alliance Program to provide customers with these services.

## 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.

Please also refer to Exhibit I – Grainger's Sourced Product Terms and Conditions.

4. Will customers be able to verify they received the contract price?

☒ Yes ☐ No

Please explain how they would verify the contract price.

## Grainger.com

Region 4 and TCPN Members may check the General Catalog "each" price" for any Grainger item online at [www.grainger.com](http://www.grainger.com). Note: Viewing Grainger.com without signing in allows Members to see General Catalog "each" price. TCPN contract price is available online when the TCPN Member logs onto Grainger.com using the Grainger-assigned account number.



Grainger's average order fill rate for the last three years is 97% and has been between 95-100% utilizing a "fill until complete" methodology. Grainger utilizes an electronic communications network which links together branches and distribution centers across the country. This results in almost instantaneous transmittal of product inventory and shipment information. When a Grainger Customer Service Associate (CSA) receives a customer inquiry, the CSA not only has computer access to the inventory records of the local branch, but also has access to the inventory records of each Grainger branch and distribution center within an overnight radius of the customer's location.

If this inventory is insufficient to fill the order, the representative also has access to the national inventory records for the product at each branch and distribution center across the nation. This total asset visibility permits the representative to draw material from across the Grainger system to immediately satisfy the material needs of the customer. Standard General Catalog product can be stored at the local branch, based on customer needs, on a case-by-case basis.

In 2013, Grainger was able to fulfill between 97-98% of customer lines on core products from our distribution network. Grainger takes a very conservative approach to measuring fill rate. We utilize this approach to maximize our operating efficiencies. The following example illustrates how we measure fill rate:

EXAMPLE 1 – A customer places an order for 10 distinct items; one each. Grainger fulfills all 10 items from our Dallas DC and the customer receives all 10 items the next business day. Customer Fill Rate = 100%. Grainger Internal Fill Rate = 100%.

EXAMPLE 2 – A customer places an order for 10 distinct items; one each. Grainger fulfills nine items from our Dallas DC and one item from our Cleveland DC. The customer receives all 10 items the next business day. Customer Fill Rate = 100%. Grainger Internal Fill Rate = 90%. (Even though the customer Fill Rate is 100%, the Grainger Internal Fill Rate is only 90% because our supply chain network designates that all 10 items should be fulfilled from our Dallas DC, therefore any items fulfilled by other DCs are not calculated into the Grainger fill rate for that particular order).

4. Please provide your company's average on time delivery rate over the last fiscal year.  
97%

For 2013, less than truck load on-time delivery was approximately 97%. 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).

5. Does your company agree to the following statement on shipping charges *"All deliveries shall be freight prepaid, F.O.B. destination and shall be included in all pricing offered unless otherwise clearly stated in writing."*? ☒ Yes ☐ No \*

If not please explain.

\*Grainger offers TCPN Members pre-paid freight on all standard ground shipments. Title transfers to the TCPN Member 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 the TCPN Member.

12. Did you provide your Dun & Bradstreet number? ☒ Yes ☐ No

Yes; Grainger's Dun & Bradstreet number is 005-10-3494

13. Did you provide information on your website and on-line ordering capacities as per APPENDIX F, Question 14? ☒ Yes ☐ No

**Qualification and Experience (20 points)**

1. What is your company's reputation in the marketplace?

Grainger's reputation is based on a long history of product availability, prompt delivery and easy access to an extensive breadth of quality maintenance, repair and operations (MRO) products. Our experienced and knowledgeable employees add to this reputation with quality customer service nationwide every day. Seen as a leader in the industry, Grainger strives to continuously improve through innovative eCommerce initiatives, Managed Inventory Solutions and, first and foremost, customer feedback.

**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)

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.

We conduct regular product reviews with our suppliers to identify the latest industry trends and ensure we are making available the most up to date cutting-edge product solutions that will exceed our customers' expectations.

Grainger truly is a "one-stop shop" and provides more product solutions that will support end users in consolidating MRO purchases. Our current product categories include:

- |   |                                 |
|---|---------------------------------|
| • Abrasives                               | • Material Handling             |
| • Adhesives, Sealants and tape            | • Motors                        |
| • Cleaning                                | • Office Supplies               |
| • Electrical                              | • Outdoor Equipment             |
| • Electronics, Appliances and Batteries   | • Painting                      |
| • Fasteners                               | • Plumbing                      |
| • Fleet/Vehicle Maintenance               | • Pneumatics                    |
| • Furniture, Hospitality and Food Service | • Power Tools                   |
| • Hand Tools                              | • Power Transmission            |
| • Hardware                                | • Pumps                         |
| • HVACR                                   | • Raw Materials                 |
| • Hydraulics                              | • Reference / Learning Supplies |
| • Lab Supplies                            | • Safety                        |
| • Lighting                                | • Security                      |
| • Lubrication                             | • Test Instruments              |
| • Machining                               | • Welding                       |

A few of Grainger's most popular suppliers are G.E. Lighting, DeWalt Tools, Stanley Proto Tools, Milwaukee Tools, De Vilbiss Generators, Campbell Hausfeld Compressors, and US Electric Motors.

3. Does your company have past experience with Region 4 ESC and/or TCPN members?  
If so, please list them and their contact information (Up to five).

Yes, please see below:

1. City of Austin Dept of Aviation  
Johnny Greenwood, Warehouse Manager  
Austin, TX  
512-530-4575

10. Did you list and submit all applicable MWBE, HUB, DVBE, small and disadvantaged business certifications that your company holds? ☐ Yes ☐ No

N/A

11. Did you list and submit all applicable MWBE, HUB, DVBE, small and disadvantaged business and other diverse certifications that your company holds? ☐ Yes ☐ No

N/A

**Value Add (10 Points)**

1. Did you submit a marketing plan as per APPENDIX F, Question 17?  
☒ Yes ☐ No This refers to the Marketing/Sales of Appendix F
2. Did you provide a national sales training plan as per APPENDIX F, Question 21?  
☒ Yes ☐ No This refers to the Marketing/Sales of Appendix F

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**Appendix B:**

**PRODUCT / SERVICES SPECIFICATIONS**

It is the intention of Region 4 ESC to establish an annual contract with highly qualified Vendor(s) for **Maintenance, Repair and Operations (MRO) Supplies & Related Services** on a national level. Vendor(s) shall, at the request of Region 4 ESC and/or TCPN members, provide these covered products and associated services under the terms of this RFP and the CONTRACT TERMS AND CONDITIONS.

The scope of this RFP shall include but not limited to the following Product Categories:

- ☐ Adhesives, Sealants & Tape
- ☐ Air Filters
- ☐ Appliances
- ☐ Building Materials
- ☐ Cabinets, Countertops & Related Materials
- ☐ Electrical Supplies & Equipment
- ☐ Fasteners, Hardware, Hand Tools
- ☐ General Maintenance Supplies
- ☐ HVAC Supplies
- ☐ Ice Machines & Refrigeration
- ☐ Irrigation Equipment & Supplies
- ☐ Janitorial Supplies
- ☐ Landscaping Supplies
- ☐ Lighting, Ballasts, and Bulbs
- ☐ Material Handling & Storage Supplies
- ☐ Motors, Pumps
- ☐ Outdoor Garden Supplies & Equipment
- ☐ Paint, Equipment & Supplies
- ☐ Plumbing Supplies
- ☐ Pneumatic Tools
- ☐ Power Tools & Accessories
- ☐ Raw Materials
- ☐ Safety & Security Related Items
- ☐ Swimming Pool Chemicals
- ☐ Tools (general purpose & machine)
- ☐ Window Treatments
- ☐ Services (installation, glass cutting, rental, etc)
- ☐ Welding & Soldering

**Supplies**

Respondents are encouraged to offer everything in their entire catalogue that falls within the scope of MRO Supplies. Region 4 ESC reserves the right to reject parts of offerings that it deems to fall outside the scope of the RFP. All products offered shall be new, unused and of the latest design and technology.

**Related Services**

Respondents should submit auditable pricing for any and all services offered as indicated in Appendix C of this RFP

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TAB 6

REFERENCES  
(APPENDIX F)

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**5. Reference**

Entity Name: Austin Community College

Contact Name and Title: Kirk Kirkland, Contracts Manager

City and State: Austin, Texas

Phone Number: (512) 223-1050

Years Serviced: 8+ years

Description of Services: Multiple KS Programs, Largest MRO Supplier to client, Primary partner in Lighting/Janitorial/Electrical/Safety/Material Handling

Annual Volume: Due to the individual confidentiality agreements that we have with our customers, we do not supply this information to any other parties.

**6. Reference**

Entity Name: Scottsdale School District

Contact Name and Title: Mike Romanoff, Director of Purchasing

City and State: Scottsdale, Arizona

Phone Number: (480) 484-6154

Years Serviced: 10 years

Description of Services: MRO Supplies

Annual Volume: Due to the individual confidentiality agreements that we have with our customers, we do not supply this information to any other parties.

**7. Reference**

Entity Name: Cave Creek School District

Contact Name and Title: John Muir, Director of Facilities

City and State: Cave Creek, Arizona

Phone Number: (602) 618-6126

Years Serviced: 2 years

Description of Services: MRO Supplies

Annual Volume: Due to the individual confidentiality agreements that we have with our customers, we do not supply this information to any other parties.

**8. Reference**

Entity Name: Dysart School District

Contact Name and Title: Bob Young, Director of Facilities

City and State: Surprise, Arizona

Phone Number: (623) 876-7028

Years Serviced: 5 years

Description of Services: MRO Supplies

Annual Volume: Due to the individual confidentiality agreements that we have with our customers, we do not supply this information to any other parties.

**9. Reference**

Entity Name: Peoria School District

Contact Name and Title: Jared Reynolds, Director of Facilities

City and State: Peoria, Arizona

Phone Number: (623) 486-6172

Years Serviced: 5 years

Description of Services: MRO Supplies

Annual Volume: Due to the individual confidentiality agreements that we have with our customers, we do not supply this information to any other parties.

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TAB 7

PRICING  
(APPENDIX C)



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TAB 8

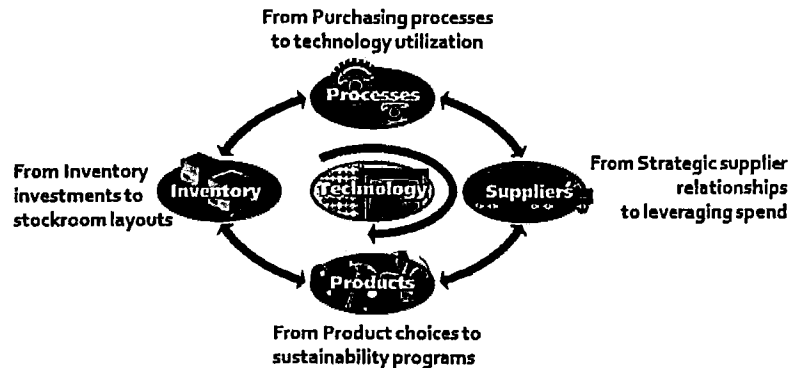
VALUE ADD  
(APPENDIX G)

**Grainger's Response to  
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This strategic framework of cost drivers focuses on:

- Process
- Inventory
- Supplier
- Product
- Technology

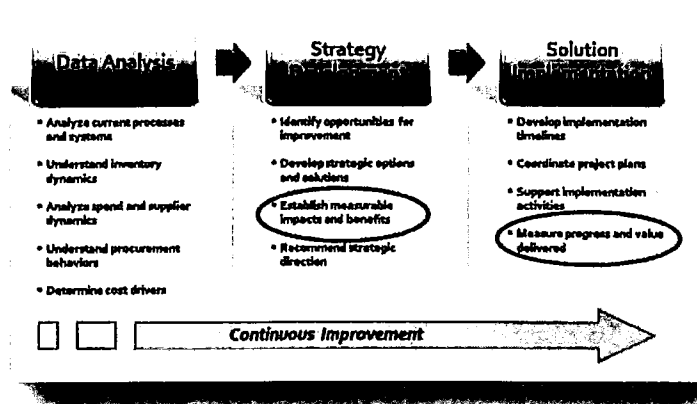


(Figure 10 – Grainger Purchasing Solutions)

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 11 – Grainger Purchasing Solutions)

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Grainger's strategy in relation to customer support is to become the Region 4 and TCPN'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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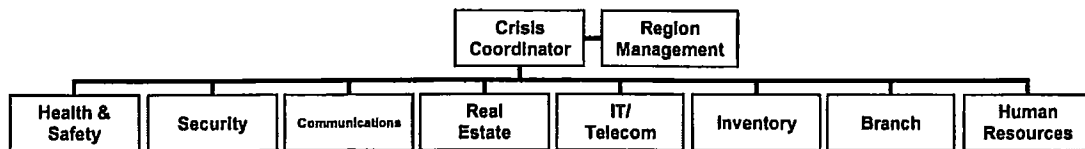


### **Crisis Management Team**

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 12 – Crisis Management Team)*

The Crisis Management Team has an established response list (Figure 12 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.

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**Grainger's People Safety Solutions help keep Region 4 and TCPN 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, Region 4 and TCPN's 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 Region 4 and TCPN 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
- 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.

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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
- **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

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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
- **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<sup>®</sup>, a Grainger Exclusive Safety Brand

Region 4 and TCPN can take advantage of Grainger "Exclusive Brand" products, a lower-cost alternative to more recognized product brands. For our Safety customers, Condor<sup>®</sup> 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 Region 4 and TCPN 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. Region 4 and TCPN 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.

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Grainger.com. Choose from two options:

**1. Online SafetyManager Complete** – Includes a set of comprehensive safety management tools and resources for one administrator (tracking the training of up to 50 employees). Online training courses covering more than 100 different safety topics are available for purchase via “tokens.” One token is required per participant per training course. An Unlimited Training Option, a 12-month subscription allowing unlimited individual access to all online training courses, is available.

**2. Online SafetyManager Core** - A budget-friendly option providing a basic selection of online management tools for one administrator ((tracking the training of up to 50 employees). Online SafetyManager Core does not provide access to online training courses.

Each of the above-described programs is linked to a unique Grainger item number and is purchased in 12-month subscription periods. If you have more than one location, you may want to purchase an individual administrative subscription for each location.

**Please note:** Grainger Online SafetyManager is provided by Grainger Safety Services, Inc., an affiliate of W.W. Grainger, Inc. Upon purchase of your subscription, you will be asked to acknowledge and accept the Grainger Safety Services, Inc., Master Subscription Agreement. Further information is available online at [grainger.com/safetymanager](http://grainger.com/safetymanager)

For Grainger's Fee based and Non-Fee based Safety Service Offerings, please see Exhibit H.

Grainger will price available services as reflected on [www.grainger.com](http://www.grainger.com) at time of transaction (“List Price”). As Grainger adds new services to [www.Grainger.com](http://www.Grainger.com) and that service has a List Price, Grainger will offer those services. Grainger will advise Region 4 and TCPN of any new service(s) to be made available under the Agreement by providing an email to the Contract Administrator and describing the new service(s). These services will be included as part of the Agreement and no written amendment is necessary to include them under the Agreement.

## **5. 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, Region 4 and TCPN 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.

Please see Exhibit I – Grainger's Sourced Product Terms and Conditions.



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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.

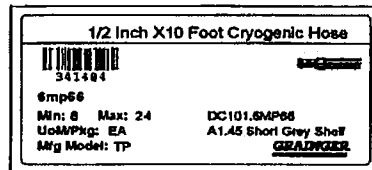
Grainger's suite of managed inventory solutions includes:

- **KeepStock® OnSite<sup>SM</sup>**
  - *Onsite Assistance to Help You Control Your Inventory Management Processes*
- **KeepStock® Label<sup>SM</sup>**
  - *A Simple Labeling Solution that Helps You Manage Your Inventory So You Can Focus on Your Operations*
- **KeepStock® Scan<sup>SM</sup>**
  - *An Inventory Management Solution Using Barcode Scanning to Streamline Your Ordering Processes*
- **KeepStock® Track<sup>SM</sup>**
  - *An Inventory Management Solution to Help You Track the Movement of MRO Inventory*
- **KeepStock® Mobile<sup>SM</sup>**
  - *The Inventory Management Solution for Your Mobile Environment*
- **KeepStock® Secure<sup>SM</sup>**
  - *An Industrial Dispensing Solution Using Secure Machines to Control Supplies Usage*

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- **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.



(Figure 13 – Label Example)

**Solution: KeepStock® Scan<sup>SM</sup>**

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

KeepStock® Scan<sup>SM</sup> 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.

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**Solution: KeepStock® Mobile<sup>SM</sup>**

***The Inventory Management Solution for Your Mobile Environment***

KeepStock® Mobile<sup>SM</sup> 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.

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® Secure<sup>SM\*</sup>**

***An Industrial Dispensing Solution Using Secure Machines to Control Supplies Usage***

KeepStock® Secure<sup>SM</sup> 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.

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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 J – 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.*

**Appendix H:**  
**ADDITIONAL REQUIRED DOCUMENTS**

- DOC #1    Clean Air and Water Act
- DOC #2    Debarment Notice
- DOC #3    Lobbying Certification
- DOC #4    Contractors Requirements
- DOC #5    Antitrust Certification Statement

**FOR VENDORS INTENDING TO DO BUSINESS IN NEW JERSEY:**

- DOC #6    Ownership Disclosure Form
- DOC #7    Non-Collusion Affidavit
- DOC #8    Affirmative Action Affidavit
- DOC #9    Political Contribution Disclosure Form
- DOC #10   Stockholder Disclosure Form

New Jersey vendors are also required to comply with the following New Jersey statutes when applicable:

All anti-discrimination laws, including those contained in N.J.S.A. 10:2-1 through N.J.S.A. 10:2-14, N.J.S.A. 10:5-1, and N.J.S.A. 10:5-31 through 10:5-38.

Compliance with Prevailing Wage Act, N.J.S.A. 34:11-56.26, for all contracts within the contemplation of the Act.

Compliance with Public Works Contractor Registration Act, N.J.S.A. 34:11-56.26

Bid and Performance Security, as required by the applicable municipal or state statutes.

DOC #1

**Clean Air and Water Act**

DOC #2

**Debarment Notice**

I, the Vendor, certify that my company has not been debarred, suspended or otherwise ineligible for participation in Federal Assistance programs under Executive Order 12549, "Debarment and Suspension", as described in the Federal Register and Rules and Regulations.

Potential Vendor: W.W. Grainger, Inc.

Title of Authorized Representative: Sr. Government Sales Manager

Mailing Address: 2424 Magnolia Court, Richmond, VA 23223

Signature: 

## **CONTRACTOR CERTIFICATION REQUIREMENTS**

### **Contractor's Employment Eligibility**

By entering the contract, Contractor warrants compliance with the Federal Immigration and Nationality Act (FINA), and all other federal and state immigration laws and regulations. The Contractor further warrants that it is in compliance with the various state statutes of the states it is will operate this contract in.

Participating Government Entities including School Districts may request verification of compliance from any Contractor or subcontractor performing work under this Contract. These Entities reserve the right to confirm compliance in accordance with applicable laws.

Should the Participating Entities suspect or find that the Contractor or any of its subcontractors are not in compliance, they may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

The offeror complies and maintains compliance with the appropriate statutes which requires compliance with federal immigration laws by State employers, State contractors and State subcontractors in accordance with the E-Verify Employee Eligibility Verification Program.

Contractor shall comply with governing board policy of the Region 4 ESC Participating entities in which work is being performed.

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### **Fingerprint and Background Checks**

If required to provide services on school district property at least five (5) times during a month, contractor shall submit a full set of fingerprints to the school district if requested of each person or employee who may provide such service. Alternately, the school district may fingerprint those persons or employees. An exception to this requirement may be made as authorized in Governing Board policy. The district shall conduct a fingerprint check in accordance with the appropriate state and federal laws of all contractors, subcontractors or vendors and their employees for which fingerprints are submitted to the district. Contractor, subcontractors, vendors and their employees shall not provide services on school district properties until authorized by the District.

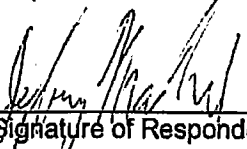
The offeror shall comply with fingerprinting requirements in accordance with appropriate statutes in the state in which the work is being performed unless otherwise exempted.

Contractor shall comply with governing board policy in the school district or Participating Entity in which work is being performed.

---

### **Business Operations in Sudan, Iran**

In accordance with A.R.S. 35-391 and A.R.S. 35-393, the Contractor hereby certifies that the contractor does not have scrutinized business operations in Sudan and/or Iran.

  
\_\_\_\_\_  
Signature of Respondent

12-3-14  
\_\_\_\_\_  
Date

**DOC #6**

**OWNERSHIP DISCLOSURE FORM**  
**(N.J.S. 52:25-24.2)**

Pursuant to the requirements of P.L. 1999, Chapter 440 effective April 17, 2000 (Local Public Contracts Law), the offeror shall complete the form attached to these specifications listing the persons owning 10 percent (10%) or more of the firm presenting the proposal.

**Company Name:** W.W. Grainger, Inc.

**Street:** 100 Grainger Parkway

**City, State, Zip Code:** Lake Forest, IL 60045

**Complete as appropriate:**

*I \_\_\_\_\_, certify that I am the sole owner of \_\_\_\_\_, that there are no partners and the business is not incorporated, and the provisions of N.J.S. 52:25-24.2 do not apply.*

**OR:**

I \_\_\_\_\_, a partner  
in \_\_\_\_\_, do hereby certify that the following is a list of all individual  
partners who own a 10% or greater interest therein. I further certify that if one (1) or more of the  
partners is itself a corporation or partnership, there is also set forth the names and addresses of the  
stockholders holding 10% or more of that corporation's stock or the individual partners owning 10%  
or greater interest in that partnership.

**OR:**

I, Jeff MacNeil, an authorized representative of W.W. Grainger, Inc., a corporation, do hereby certify that the following is a list of the names and addresses of all stockholders in the corporation who own 10% or more of its stock of any class. I further certify that if one (1) or more of such stockholders is itself a corporation or partnership, that there is also set forth the names and addresses of the stockholders holding 10% or more of the corporation's stock or the individual partners owning a 10% or greater interest in that partnership.

**(Note: If there are no partners or stockholders owning 10% or more interest, indicate none.)**

Name	Address	Interest
None		

*I further certify that the statements and information contained herein, are complete and correct to the best of my knowledge and belief.*

12-3-14  
Date

Jeffrey MacNeil Sr. Government Sales Mgr  
Authorized Signature and Title

**DOC #7**

## NON-COLLUSION AFFIDAVIT

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**DOC #8**

**AFFIRMATIVE ACTION AFFIDAVIT**  
**(P.L. 1975, C.127)**

**Company Name:** W.W. Grainger, Inc.  
**Street:** 100 Grainger Parkway  
**City, State, Zip Code:** Lake Forest, IL 60045

**Proposal Certification:**

Indicate below your compliance with New Jersey Affirmative Action regulations. Your proposal will be accepted even if you are not in compliance at this time. No contract and/or purchase order may be issued, however, until all Affirmative Action requirements are met.

**Required Affirmative Action Evidence:**

### Procurement, Professional & Service Contracts (Exhibit A)

**Vendors must submit with proposal:**

- |  |         |
|--|---------|
| 1. A photo copy of their <u>Federal Letter of Affirmative Action Plan Approval</u> | _____   |
| OR   |         |
| 2. A photo copy of their <u>Certificate of Employee Information Report</u>         | _____ X |
| OR   |         |
| 3. A complete Affirmative Action Employee Information Report (AA302)               | _____   |

**Public Work – Over \$50,000 Total Project Cost:** N/A

- A. No approved Federal or New Jersey Affirmative Action Plan. We will complete Report Form AA201-A upon receipt from \_\_\_\_\_  
(Agency)

- B. Approved Federal or New Jersey Plan – certificate enclosed**

*I further certify that the statements and information contained herein, are complete and correct to the best of my knowledge and belief.*

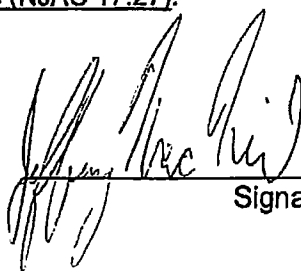
12-3-14  
Date

Sr. Government Sales Mgr.  
Authorized Signature and Title

statutes and court decisions of the state of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

The contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and lay-off to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation, and conform with the applicable employment goals, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor and its subcontractors shall furnish such reports or other documents to the Affirmative Action Office as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Affirmative Action Office for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code (NJAC 17:27).



Signature of Procurement Agent

DOC #9

### C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM

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## **C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM**

### **Contractor Instructions**

Business entities (contractors) receiving contracts from a public agency that are NOT awarded pursuant to a "fair and open" process (defined at N.J.S.A. 19:44A-20.7) are subject to the provisions of P.L. 2005, c. 271, s.2 (N.J.S.A. 19:44A-20.26). This law provides that 10 days prior to the award of such a contract, the contractor shall disclose contributions to:

- any State, county, or municipal committee of a political party
- any legislative leadership committee
- any continuing political committee (a.k.a., political action committee)
- any candidate committee of a candidate for, or holder of, an elective office:
  - of the public entity awarding the contract
  - of that county in which that public entity is located
  - of another public entity within that county
  - or of a legislative district in which that public entity is located or, when the public entity is a county, of any legislative district which includes all or part of the county. The disclosure must list reportable contributions to any of the committees that exceed \$300 per election cycle that were made during the 12 months prior to award of the contract. See N.J.S.A. 19:44A-8 and 19:44A-16 for more details on reportable contributions.

N.J.S.A. 19:44A-20.26 itemizes the parties from whom contributions must be disclosed when a business entity is not a natural person. This includes the following:

- individuals with an "interest" ownership or control of more than 10% of the profits or assets of a business entity or 10% of the stock in the case of a business entity that is a corporation for profit
- all principals, partners, officers, or directors of the business entity or their spouses
- any subsidiaries directly or indirectly controlled by the business entity
- IRS Code Section 527 New Jersey based organizations, directly or indirectly controlled by the business entity and filing as continuing political committees, (PACs). When the business entity is a natural person, "a contribution by that person's spouse or child, residing therewith, shall be deemed to be a contribution by the business entity." [N.J.S.A. 19:44A-20.26(b)] The contributor must be listed on the disclosure. Any business entity that fails to comply with the disclosure provisions shall be subject to a fine imposed by ELEC in an amount to be determined by the Commission which may be based upon the amount that the business entity failed to report. The enclosed list of agencies is provided to assist the contractor in identifying those public agencies whose elected official and/or candidate campaign committees are affected by the disclosure requirement. It is the contractor's responsibility to identify the specific committees to which contributions may have been made and need to be disclosed. The disclosed information may exceed the minimum requirement. The enclosed form, a content-consistent facsimile, or an electronic data file containing the required details (along with a signed cover sheet) may be used as the contractor's submission and is disclosable to the public under the Open Public Records Act. The contractor must also complete the attached Stockholder Disclosure Certification. This will assist the agency in meeting its obligations under the law.

**NOTE: This section does not apply to Board of Education contracts.**

N.J.S.A. 19:44A-3(s): "The term "legislative leadership committee" means a committee established, authorized to be established, or designated by the President of the Senate, the Minority Leader of the Senate, the Speaker of the General Assembly or the Minority Leader of the General Assembly pursuant to section 16 of P.L.1993, c.65 (C.19:44A-10.1) for the purpose of receiving contributions and making expenditures."

### C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM

Page \_\_\_\_ of \_\_\_\_ N/A

Vendor Name: N/A

[illegible]

N/A ☐ Check here if the information is continued on subsequent page(s)

DOC #10

# STOCKHOLDER DISCLOSURE CERTIFICATION

Name of Business:

☐ I certify that the list below contains the names and home addresses of all stockholders holding 10% or more of the issued and outstanding stock of the undersigned.

OR

☒ I certify that no one stockholder owns 10% or more of the issued and outstanding stock of the undersigned.

Check the box that represents the type of business organization:

☐ Partnership  
Proprietorship

☒ Corporation

☐ Sole

☐ Limited Partnership

☐ Limited Liability Corporation

☐ Limited Liability Partnership

☐ Subchapter S Corporation

Sign and notarize the form below, and, if necessary, complete the stockholder list below.

Stockholders:

Name:	Name:
Home Address:	Home Address:
Name:	Name:
Home Address:	Home Address:
Name:	Name:
Home Address:	Home Address:

Subscribed and sworn before me this <u>3<sup>rd</sup></u> day of <u>December</u> , 20 <u>14</u> (Notary Public) <u>Susan D. Gadek</u> My Commission expires <u>8/04/18</u>	<u>Jeffrey MacNeil</u> (Affiant) <u>Jeffrey MacNeil Sr. General Sales Mgr</u> (Print name & title of affiant) (Corporate Seal)
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OFFICIAL SEAL  
SUSAN D. GADEK  
Notary Public - State of Illinois  
My Commission Expires 8/04/2018

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**Grainger's Response to  
The Cooperative Purchasing Network (TCPN)  
Request for Proposal (RFP) – Solicitation Number 14-21 by  
Region 4 Education Service Center (ESC) for  
Maintenance, Repair and Operations (MRO) Supplies & Related Services**

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Tab 10

Grainger Exhibits

# EXHIBIT "B"

**James Vazquez**

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**From:** Price, Ron <Ron.Price@grainger.com>  
**Sent:** Monday, April 22, 2019 9:48 AM  
**To:** James Vazquez  
**Cc:** Vargas Ruiz, Liz; Asplin, Scott  
**Subject:** City of Long Beach MRO Contract #141003

James,

Great speaking with you. As a member of OMNIA Partners per your member ID 5241897 you have access to our City of Tucson / OMNIA Partners National IPA contract #141003. We currently have all your pricing aligned to this contract today. This contract is for purchases related to Maintenance, Repair, and Operations (MRO) and related services. This current contract expires 12/31/19 as I stated on the phone we're awaiting a decision on our next contract we just turned in a couple of weeks ago. We're hoping to hear something soon regarding the next MRO contract. If you need anything further please reach out.

Thanks,

**Ron Price | Sr. National Government Sales Manager | OMNIA Partners – Public Sector**  
**W.W. Grainger Inc, | Cell: 979-224-6794 | [www.grainger.com](http://www.grainger.com)**