

CONTRACT DOCUMENTS

**CITY OF LINCOLN, NEBRASKA,
LANCASTER COUNTY,
LINCOLN - LANCASTER COUNTY
PUBLIC BUILDING COMMISSION**

**Facilities Maintenance, Repair and Operating Supplies
(NJPA) RFP #091214**

**Contractor:
W.W. Grainger, Inc.
3585 Sunset Ave.
Waukegan, IL 60087-3217
(757)575-2899**

**CITY OF LINCOLN-LANCASTER COUNTY, NEBRASKA and
LINCOLN-LANCASTER COUNTY PUBLIC BUILDING COMMISSION
CONTRACT AGREEMENT**

THIS CONTRACT, made and entered into by and between W.W. Grainger, Inc., 3585 Sunset Ave., Waukegan, IL 60087-3217 hereinafter called "Contractor", and the City of Lincoln, Nebraska, a municipal corporation, and the County of Lancaster, Nebraska, a political subdivision of the State of Nebraska, and the Lincoln-Lancaster County Public Building Commission hereinafter called the "Owners".

WHEREAS, Neb. Rev. Stat. § 23-3109(1)(d)(iii) allows for waiver of bidding requirements when the price has been established by a cooperative purchasing Contract by which supplies, equipment, or services are procured in accordance with a contract established by another governmental entity or group of governmental entities if the contract was established in accordance with the laws and regulations applicable to the establishing governmental entity or, if a group, the lead governmental entity; and

WHEREAS, Lincoln Municipal Code §2.18.030(c) allows the City of Lincoln to join with other units of government for cooperative purchasing; and

WHEREAS, the Owners through local inter-governmental cooperative purchasing have chosen to participate in the contract between the National Joint Powers Association (NJPA) and W.W. Grainger, Inc., for Facilities Maintenance, Repair, and Operating Supplies, (NJPA) RFP #091214, which was prepared in accordance with the NJPA's usual and customary laws, procedures and policies, and has approved and adopted said documents connected with said, Work, to-wit:

for all materials and equipment necessary to provide Facilities Maintenance, Repair and Operating Supplies for the Owners' various departments, agencies and divisions as the Owners may determine in compliance with the prices as established via the Contract between the NJPA and W.W. Grainger, Inc., RFP #091214 executed by the NJPA, on October 21, 2014.

WHEREAS, the Contractor, in response to the Owners' request to participate in said NJPA contract, has submitted to the Owners, an offer approving Owners participation under the same pricing structure, terms and conditions as the NJPA, with only those exceptions stated herein; and

WHEREAS, the NJPA, in the manner usual and customary to their laws, policies and procedures has opened, read, examined, and canvassed the Proposals submitted in response to the proposal request, and as a result of such canvass has determined and declared the Contractor to be the lowest responsible bidder for the said Work for the sum or sums named in the contract between NJPA and W.W. Grainger, Inc., RFP #091214 a copy thereof being attached to and made a part of this Contract;

NOW, THEREFORE, in consideration of the sums to be paid to the Contractor and the mutual covenants herein contained, the Contractor and the Owners hereby agree as follows:

1. The Contractor agrees to (a) furnish all tools, equipment, supplies, superintendence, transportation, and other accessories, services, and facilities necessary to provide Facilities Maintenance, Repair and Operating Supplies for the Owner's various departments, agencies and divisions as the Owners may determine.
2. Term of the Contract. The initial term of this contract is for a period beginning upon execution through October 21, 2015.
 - 2.1 Upon conclusion of the initial term, the contract may be renewed on a yearly basis with mutual written agreement by both parties for four (4) additional one (1) year terms, with the option of a fifth year renewal at the discretion of NJPA.
 - 2.2 If renewal of the contract for the additional term is not desirable by either one of the parties, that party shall give written notice to the other of its intent to terminate the contract by not less than thirty (30) days prior to the expiration of the initial agreement period.
 - 2.3 Any renewal of the contract will be under the same terms and conditions as the original agreement.

3. Pricing. Pricing for these services are pursuant to the Contract between the NJPA and W.W. Grainger, Inc., RFP #091214, executed by the NJPA, October 21, 2014, a copy thereof being attached to and made a part of this Contract.

The Owners will pay for products/service, according to the Line Item pricing as listed in Contractors Proposal/Supplier Response, a copy thereof being attached to and made a part of this Contract. The Owners shall order on an as-needed basis for the duration of the contract.

4. Independent Contractor. It is the express intent of the parties that this contract shall not create an employer-employee relationship. Employees of the Contractor shall not be deemed to be employees of the Owners and employees of the Owners shall not be deemed to be employees of the Contractor. The Contractor and the Owners shall be responsible to their respective employees for all salary and benefits. Neither the Contractor's employees nor the Owners' employees shall be entitled to any salary, wages, or benefits from the other party, including but not limited to overtime, vacation, retirement benefits, workers' compensation, sick leave or injury leave. Contractor shall also be responsible for maintaining workers' compensation insurance, unemployment insurance for its employees, and for payment of all federal, state, local and any other payroll taxes with respect to its employees' compensation.
5. Indemnification. The Contractor shall indemnify and hold harmless the Owners (City of Lincoln, Lancaster County, Nebraska and Lincoln-Lancaster County Public Building Commission), their agents, principals, officers, and employees from and against all claims, demands, suits, actions, payments, liabilities, judgments and expenses (including court-ordered attorneys' fees), arising out of or resulting from the acts or omissions of the Contractor, its principals, officers, agents, or employees in the performance of this contract. Liability includes any claims, damages, losses, and expenses arising out of or resulting from performance of this contract that results in any claim for damage whatsoever including any bodily injury, civil rights liability, sickness, disease, or damage to or destruction of tangible property, including the loss of use resulting therefrom. Further, Contractor shall maintain a policy or policies of insurance (or a self-insurance program), sufficient in coverage and amount to pay any judgments or related expenses from or in conjunction with any such claims. Nothing in this contract shall require either party to indemnify or hold harmless the other party from liability for the negligent or wrongful acts or omissions of said other party or its principals, officers, or employees.
6. Equal Employment Opportunity. In connection with the carrying out of this project, the Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, ancestry, disability, age or marital status. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, ancestry, disability, age or marital status. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other compensation; and selection for training, including apprenticeship.
7. Owner Inclusion. It is understood and agreed by all parties that "Owner/s" shall include the City of Lincoln, Lancaster County, Nebraska and Lincoln-Lancaster County Public Building Commission. Whenever in the Contract documents, including the instructions to bidders, specifications, insurance requirements, bonds, and terms and conditions or any other documents which are a part of the Contract, a singular entity is referenced (i.e., "the City" or "the County" or "Building Commission") it shall mean the "Owners" encompassing the City of Lincoln, Lancaster County and Lincoln-Lancaster County Building Commission.
8. Termination. This Contract may be terminated by the following:
 - 8.1 Termination for Convenience. Either party may terminate this Contract upon fourteen (14) days written notice to the other party for any reason without penalty.
 - 8.2 Termination for Cause. The Owners may terminate the Contract for cause if the Contractor:
 - 8.2.1 Refuses or fails to supply the proper labor, materials and equipment necessary to provide Facilities Maintenance, Repair and Operating Supplies.

- 8.2.2 Disregards Federal, State or local laws, ordinances, regulations, resolutions or orders.
 - 8.2.3 Otherwise commits a substantial breach or default of any provision of the Contract Document. In the event of a substantial breach or default the Owners will provide the Contractor written notice of said breach or default and allow the Contractor ten (10) days from the date of the written notice to cure such breach or default. If said breach or default is not cured within ten (10) days from the date of notice, then the contract shall terminate.
9. E-Verify. In accordance with Neb. Rev. Stat. 4-108 through 4-114, the contractor agrees to register with and use a federal immigration verification system, to determine the work eligibility status of new employees performing services within the state of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324 a, otherwise known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee pursuant to the Immigration Reform and Control Act of 1986. The Contractor shall not discriminate against any employee or applicant for employment to be employed in the performance of this section pursuant to the requirements of state law and 8 U.S.C.A 1324b. The contractor shall require any subcontractor to comply with the provisions of this section.
10. The parties agree that the terms and conditions of this Contract shall prevail and govern in the case of any such inconsistent or additional terms in the Agreement between the NJPA and W.W. Grainger, Inc., RFP #091214 for Facilities Maintenance, Repair and Operating Supplies.

The Contract Documents comprise the Contract, and consist of the following:

- 1. Contract Agreement
- 2. NJPA RFP #091214
- 3. Proposal

This Contract Agreement together with the other Contract Documents herein above mentioned, form this Contract, and are a part of the Contract as if hereto attached.

The Contractor and the Owners hereby agree that all the terms and conditions of this Contract shall be binding upon themselves, and their heirs, administrators, executors, legal and personal representatives, successors, and assigns.

IN WITNESS WHEREOF, the Contractor and the Owners do hereby execute this contract.

EXECUTION BY THE CITY OF LINCOLN, NEBRASKA

ATTEST:

Teresa J. Meade
City Clerk



CITY OF LINCOLN, NEBRASKA

Chris Burt
Mayor

Approved by Executive Order No. 88018

Dated 2-20-15

LINCOLN-LANCASTER COUNTY PUBLIC BUILDING COMMISSION

Attest:

Jeffery R. Reitzel
Public Building Commission Attorney

Larry Hudkins
Chairperson Public Building Commission

Dated 3-10-15

EXECUTION BY LANCASTER COUNTY, NEBRASKA

Contract Approved as to Form:

Dale Schorr
Deputy County Attorney
For Lancaster County Attorney

The Board of County Commissioners of Lancaster,
Nebraska

Wade White
James R. Gentry
Larry Hudkins
Bill Henry

Schorr Absent

Dated 3/3/15

EXECUTION BY CONTRACTOR

IF A CORPORATION:

ATTEST:

Dawn Rothermel (SEAL)
Secretary



W.W. Grainger, Inc
Name of Corporation

3585 Sunset Ave Wheeling, IL 60087-3211
(Address)

By: [Signature]
Duly Authorized Official

Sr. Government Sales Mgr
Legal Title of Official

IF OTHER TYPE OF ORGANIZATION:

Name of Organization

Type of Organization

(Address)

By: _____
Member

By: _____
Member

IF AN INDIVIDUAL:

Name

Address

Signature

(Address)

By: _____ Member

By: _____ Member



NJPA VENDOR CONTRACT SUMMARY – GRAINGER

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

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

NJPA INFORMATION

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

Contract Award
RFP 091214

FORM D



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

FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES

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

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

Company Address: 100 Grainger Parkway

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

Contact Person: Jeffrey MacNeil Title: Senior Government Sales Manager

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



Contract Acceptance and Award

(To be completed only by NJPA)

NJPA 091214 # FACILITIES MAINTENANCE, REPAIR AND OPERATING SUPPLIES

W.W. GRAINGER, INC.

Proposer's full legal name

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

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

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: _____

NJPA Executive Director

Dr. Chad Coquette

(Name printed or typed)

Awarded this 21st day of October, 20 14

NJPA Contract Number 091214-WWG

NJPA Authorized signature: _____

NJPA Board Member

Scott Veronen

(Name printed or typed)

Executed this 21st day of October, 20 14

NJPA Contract Number 091214-WWG

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

Vendor Name W.W. Grainger Inc.

Vendor Authorized signature: _____

Jeffrey MacNeil

(Name printed or typed)

Title: Senior Government Sales Manager

Executed this 27th day of October, 20 14

NJPA Contract Number 091214-WWG

PROPOSER ASSURANCE OF COMPLIANCE



Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

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

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

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

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

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

Company Name: W.W. Grainger, Inc.

Contact Person for Questions: Jeffrey MacNeil

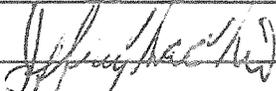
(Must be individual who is responsible for filling out this Proposer's Response form)

Address: 100 Grainger Parkway

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

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

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

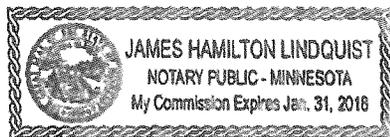
Authorized Signature: 

Authorized Name (typed): Jeffrey MacNeil

Title: Senior Government Sales Manager

Date: September 11, 2014

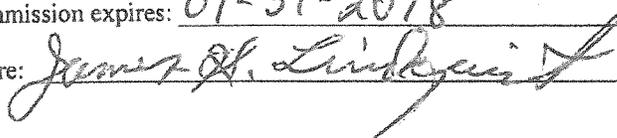
Notarized



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

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

My commission expires: 01-31-2018

Signature: 

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



Tab 7

Payment Terms and Financing Options

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

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

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

Not Applicable

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

Ordering Process

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

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

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

eProcurement

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

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



Grainger.com

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

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

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

Mobile Website or Smart Phone / Tablet App

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

Telephone

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

Fax / Email

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

Walk-In and Will Call

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

Customizable Products

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

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



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

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

P-Card Purchases

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

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



Tab 8

Warranty

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

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

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

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

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

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

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

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



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

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

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

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

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

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

- 7) Do warranties impose usage limit restrictions?

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

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

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

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

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

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

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

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Tab 9

Equipment/Product/Services, Pricing, and Delivery

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

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

Key Suppliers

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

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

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

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

Grainger Product Sourcing

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

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

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

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

Exclusive Brands

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

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

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



(Figure 11 - Grainger Exclusive Brands)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Prices offered in this proposal are:

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

- 20) Do you offer quantity or volume discounts?

YES NO Outline guidelines and program.

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

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

Return Policy

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

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Product Warranty

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

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

Extended Warranty: Triple Guard Warranty

See the TripleGuard program below.

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

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

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

* Coverage is not available outside the U.S.

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

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

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

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

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

Prices offered in this proposal are:

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

20) Do you offer quantity or volume discounts?

YES NO Outline guidelines and program.

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

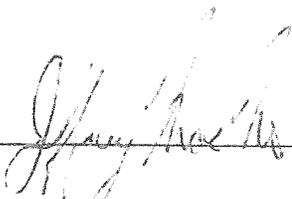
22) Specifically identify those shipping and delivery and exchange and returns programs as they relate to Alaska and Hawaii and any related off shore delivery of contracted products/ equipment and related services

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

Industry Specific Items

n/a

Signature: _____



Date: _____

9-11-14

I. Introduction

Since 2006 Grainger has demonstrated, through our successful business relationship, the ability to continuously meet or exceed the maintenance, repair and operating needs of over 1200 NJPA members. By partnering collaboratively with NJPA, Grainger has been able to create an alliance that is unified and delivers results that are measureable and cost effective.

Grainger's Pricing Summary Offer has been developed and is based upon on the deep understanding of Member purchase history, requirements and goals that Grainger has acquired by working collaboratively with NJPA, NJPA Members, and our suppliers. With this in mind, we have customized this Pricing Summary Offer to emphasize and support the cooperative value that NJPA provides to it Members. In addition to the national pricing program, each member will have the ability to customize a core list to meet its individual pricing needs. Grainger also recognizes the possibility that NJPA Members may have changing procurement goals with regards to Minority, Small Business and Women Business Enterprise utilization; environmentally preferred and green products; cost saving solutions and the use of on-line electronic ordering. Grainger has included solutions targeting such areas in our enclosed offer.

The goal of our proposal is to establish a nationally competitively bid Facilities Maintenance, Repair and Operations-related Supplies Contract that creates value for NJPA Members by saving time and effort in the procurement process. The collective purchasing power of 50,000-plus NJPA Members contributes to a successful cooperative purchasing alliance between NJPA, NJPA Members and Grainger.

II. Line Item Pricing/Customer Specific Pricing

This program Grainger has developed a line item pricing program to meet the needs of the national cooperative requirement along with a customer specific pricing program to meet the individual needs of each member. These two programs represent savings in addition to the category discount program outlined in section III below.

A. NJPA Hot List ("Cooperative Hot List")

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

The Cooperative Hot List item net prices will be held firm for 12 months from the contract award date ("Contract Year"). In the event a Hot List item is discontinued, Grainger will work with NJPA to find a mutually agreeable replacement item and add such replacement item to the Hot List. Grainger will review the Hot List items on an annual basis to ensure continued customization and relevance. This data will be based on the information accumulated throughout the term of the contract. A review of this data is critical to ensure that NJPA Members continue to receive the most significant savings on the items they purchase most.

Exhibit H – Pricing Summary Offer



The chart below describes the average percentage discount available to NJPA Members by category for those items represented in the Cooperative Hot List.

| NJPA Categories | Average % off Catalog Price |
|--|-----------------------------|
| Air Filters | 67% |
| Batteries | 61% |
| Cleaning Equipment & Supplies | 66% |
| Electrical Supplies | 58% |
| Fasteners | 63% |
| Gloves & Hand Protection | 70% |
| HVAC Supplies | 52% |
| Lab Supplies | 47% |
| Lighting/Lamps/Ballast | 69% |
| Lubricants, Adhesives, Sealants & Tape | 55% |
| Material Handling, Storage & Packaging | 41% |
| Measuring Tools & Test Instruments | 25% |
| Motors & Power Transmission | 58% |
| Outdoor Equipment | 45% |
| Paint | 51% |
| Plumbing | 52% |
| Pumps & Pneumatics | 46% |
| Safety | 58% |
| Security | 52% |
| Tools | 30% |
| Welding ,Machining & Cutting | 50% |

B. Sustainability Hot List

Grainger understands that there is a growing trend among NJPA Members to consider the environmental impact of the products and services they purchase. To that end, Grainger offers a Sustainability Hot List consisting of approximately 100 items as included in Tab 2, Sustainability Hot List, of Attachment 2, CSP Programs. The Sustainability Hot List is based upon the most-purchased “green” products, which are designated by the green leaf label on Grainger.com. With this information, NJPA and NJPA Members will have the opportunity to choose green products and comply with certain green regulations and initiatives.

The prices included in the NJPA Sustainability Hot List will be held firm for the Contract Year. Prior to the end of each Contract Year, Grainger will work with NJPA to review the top frequently purchased Sustainable items and update the NJPA Sustainability Hot List to reflect the most recent purchase history of all eligible NJPA Members.

Grainger will add new Sustainable products to the Sustainability Hot List, if available, and such items and their pricing will be mutually agreed upon by Grainger and NJPA. In the event a Sustainability Hot List Item is discontinued, the parties will find a mutually agreeable replacement item and add such replacement item, if available, to the NJPA Sustainability Hot List.

In addition to the Sustainability Hot List found in Tab 2, Sustainability Hot List, of Grainger Attachment 1 to Exhibit H - CSP Programs, items that qualify as “green” and are included in the NJPA Cooperative Hot List and in the Lamps and Ballast Hot Lists described in Section C below.

C. Lamps and Ballasts Hot List

Grainger offers a Lamps and Ballast Program, as included in **Tab 3 and Tab 4 of Grainger Attachment 1 to Exhibit H - CSP Programs**, comprised of approximately 400 items to NJPA and its participating Members. Prior to the end of each Contract Year, Grainger and NJPA will review and adjust the Lamps and Ballasts Program items and prices.

D. NJPA Member-Specific Core List (“Member Hot List”)

Grainger offers this additional pricing program to address the NJPA Members’ individual needs. The Member Core List is structured to allow individual NJPA Members to obtain additional pricing that meets their individual needs and reflects their specific purchase patterns.

Member Hot List

Grainger will offer individual NJPA Members the option to develop a customized hot list. In exchange for these additional discounts, it is Grainger’s expectation that NJPA Members will strive to purchase these items from Grainger. Grainger and the NJPA Member will mutually develop the Member Hot List based upon the Member’s critical or top frequently purchased items, as determined by the parties.

Member Hot List individual net prices will be held firm from the date of the Member Hot List implementation through the balance of the applicable Contract Year. As purchasing tendencies, market conditions and/or NJPA Member habits change over the contract term, Grainger will work with the NJPA Member to update the Member Hot List items to reflect such changes. Thereafter, the updated Member Hot List item net prices will be held firm through the applicable Contract Year.

In the event a Member Hot List Item is discontinued, the parties will find a mutually agreeable replacement product and add such replacement item to the Member Hot List.

For products not on the Hot List, Category Discounts and Catalog will apply to the Grainger.com list price (“List Price”) at time of transaction. The List Price may change three times annually, generally on January 1, May 1 and August 1 (“Adjustment Dates”).

E. CSP Resulting from Competitive Situations (Volume Price Discounts)

Grainger understands that NJPA Members may look for additional pricing concessions through bids, large quantity/volume orders, Requests for Proposal (RFPs) and/or Requests for Quote (RFQs). Grainger will evaluate these opportunities and may respond by providing additional Customer Specific Pricing.

III. OVERVIEW OF PERCENTAGE DISCOUNT PROGRAMS

In addition to the above line item pricing programs targeting NJPA Members' higher volume planned purchases Grainger offers a range of deeper discounts for the following NJPA product categories, fee based services, as well as the balance of General Catalog items. These discount programs are designed to help NJPA Members with their unplanned purchases by providing them with very competitive pricing for those items they buy less frequently but for which overall purchases accumulate.

A. Product Category Discount Program

| NJPA Categories | Discount % |
|--|------------|
| Air Filters | 40% |
| Batteries | 12% |
| Cleaning Equipment & Supplies | 25% |
| Electrical Supplies | 15% |
| Fasteners | 10% |
| Gloves & Hand Protection | 25% |
| HVAC Supplies | 15% |
| Lab Supplies | 15% |
| Lighting/Lamps/Ballast | 25% |
| Lubricants, Adhesives, Sealants & Tape | 10% |
| Material Handling, Storage & Packaging | 10% |
| Measuring Tools & Test Instruments | 10% |
| Motors & Power Transmission | 28% |
| Outdoor Equipment | 11% |
| Paint | 10% |
| Plumbing | 15% |
| Pumps & Pneumatics | 10% |
| Safety | 20% |
| Security | 10% |
| Tools | 20% |
| Welding ,Machining & Cutting | 10% |

For products not in the Cooperative Hot List or the Member Hot List, as noted above, Category Discounts will apply to the Grainger.com list price at time of transaction ("List Price"). The List Price may change three times annually, generally on January 1, May 1 and August 1 ("Adjustment Dates") and prices for products afforded a Category Discount may increase or decrease as a result.

Grainger reserves the right, in its sole discretion, to determine the appropriate category for a particular product. In general, products will be categorized based on Grainger's system and product hierarchy and the applicable product category shall generally be as displayed on Grainger.com at time of transaction.

New products added to Grainger.com between Adjustment Dates and products that were re-categorized into different product categories between Adjustment Dates may not receive the applicable Category Discount until after the next Adjustment date. Nevertheless, these products will receive a minimum discount of 10% off the Grainger.com List Price at time of transaction.

B. General Catalog Discount of 10%

This Program offers participating NJPA Members a firm discount of ten percent (10%) off of the Grainger General Catalog “Each” price for the term of the contract. This discount applies to all products not categorized per the Product Discount Program described in section III-A above. Grainger reserves the right, in its sole discretion to determine the appropriate category for a particular product. In general, products will be categorized based on Grainger’s system and product hierarchy and the applicable product category shall be generally be as displayed on Grainger.com at time of transaction.

C. Services

Grainger will price services at 10% off the List Price as reflected on Grainger.com at time of transaction. Upon addition of any new service to Grainger.com to which a List price is assigned, Grainger will offer that service at 10% off such List Price. Notwithstanding the foregoing, Grainger will advise NJPA of any additional chargeable, non-chargeable and/or third-party services to be made available pursuant to the Master Agreement by providing email correspondence to the Contract Administrator describing the service(s). The service(s) will be immediately included as part of the Master Agreement and no written amendment shall be necessary to include them under the Agreement.

IV. Minority, Small Business and Women Business Enterprise

Grainger understands that it is the policy of some NJPA Members to involve Minority, Small Business, and WMBE enterprises in the purchase of goods and services. Grainger also acknowledges that NJPA is committed to facilitating the realization of minority, small business and WMBE “credits” resulting from transactions under an awarded contract.

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

As part of the Distributor Alliance Program, Grainger offers participating NJPA Members the option to develop a customized DA Core List available through a designated Distributor Alliance member. The Grainger Distributor Alliance Program will provide participating NJPA Members the ability to earn “credits” based upon purchase volume.

In exchange for the pricing provided by the DA Core List, it is Grainger’s expectation that NJPA Members will strive to purchase these items from the designated Grainger Distributor Alliance Member(s). Each Grainger Distributor Alliance Member and the NJPA Member will mutually develop the DA Core List.

DA Core List individual net prices will be held firm from the date of the DA Core List implementation through the balance of the applicable Contract Year.

V. GRAINGER PRODUCT SOURCING PROGRAM

NJPA Members are able to purchase through Grainger's Sourcing arm, which partners with Grainger's network of non-catalog suppliers to provide access to over five million additional products. The Pricing and Discounts set forth above do not apply to items purchased through Grainger's Sourcing division. Pricing will be quoted on a case-by-case basis. Grainger Sourcing Terms and Conditions apply to any sourced products purchases. Please see **Exhibit L, Grainger Sourcing Terms and Conditions**, contained in Grainger's RFP Response, for additional details.

VII. PREPAID FREIGHT PROGRAM

Grainger offers participating NJPA Members pre-paid freight on all standard ground shipments. Title transfers to NJPA 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, Member's carrier or special handling by the carrier, must be paid by Member.

In addition, Grainger will waive its customary \$50 emergency fee for NJPA Members.

IX. NJPA MEMBER INCENTIVE

Grainger proposes a One Percent (1%) NJPA Member Incentive payable to those NJPA Members that have made at least Twenty-five Thousand Dollars (\$25,000.00) in total Qualifying Purchases during the Contract Year AND have demonstrated growth of at least Ten Percent (10%) over the immediately preceding Contract Year. For those NJPA Members with no prior purchase history with Grainger, the NJPA Member Incentive will be offered upon the achievement of at least Twenty-five Thousand Dollars (\$25,000.00) in Qualifying Purchases during the applicable Contract Year.