

ATTACHMENT A: PROPOSAL REQUIREMENTS & SPECIFICATIONS

EQUALIS GROUP: MAINTENANCE, REPAIR, AND OPERATIONS (MRO) SUPPLIES AND RELATED SERVICES & SOLUTIONS PROGRAM

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Section 1. General Guidelines

1.1. Instructions for Completing Attachment A

The specific requirements and proposal specifications for this Program are detailed in this [Attachment A – Technical Proposal Requirements & Proposal Specifications](#). Attachment A is provided to Bidders in an editable Microsoft Word form so that it can easily serve as the base document for a Bidder's Technical Proposal. Bidders should incorporate their Technical Proposal responses directly into this document and include referenced attachments separately.

Use the following electronic file naming convention for naming your Technical Proposal prior to uploading your completed Technical Proposal to Bonfire: ***Technical Proposal – Bidder Name.docx***.

For sections of Attachment A structured like the example below, simply click in the green cell on the “Click here to enter response” text and either type in or paste (using the *Paste Special > Merge Formatting* function in Microsoft Word) your response.

| | |
|--|--|
| 1.1.1. | Formation. In what year was the company formed? For how long has your company been operating under its present business name? If your company has changed its business name, include the most recent prior business name and the year of the name change. |
| * Grainger was formed in 1928. W.W. Grainger, Inc., (Grainger) has been in business for 92 years under its current name. | |

For sections of Attachment A structured like the example below, click on the “Yes” checkbox if your solution **fully provides** the defined requirement. Click on the “No” checkbox if your solution does not provide or only provides part of the defined requirement. The green cell is included for Bidders to provide any additional information or capabilities relating to that defined requirement. For example, if your solution i) provides more capabilities around that requirement, ii) meets some, but not all of that requirement, or iii) does not meet the defined requirement, but provides an alternative solution for the Proposal Review Team’s (“PRT’s”) consideration, click in the green cell on the “Click here to provide additional commentary, if necessary.” text and either type in or paste (using the *Paste Special > Merge Formatting* function in Microsoft Word) clarifying or additional information as appropriate.

| | | |
|--|--|--|
| 1.1.2. | Financing. Does your company offer any financing options or programs? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| This is a sample question. Do not provide a response here. | | |

1.2. Trade Secrets

Bidders are encouraged to review **RFP Section 3.4 – Trade Secrets Prohibition; Public Information Disclaimer** in conjunction with developing their responses to this RFP. Any information provided by a Bidder in its proposal that is not marked as trade secret information shall be deemed to be public records in accordance with Ohio law.

1.3. Attachments

Bidders may incorporate additional documents by reference as part of their response to [Attachment A – Technical Proposal Requirements & Proposal Specifications](#). For example, you may want to include brochures, charts, or graphs in response to specific questions included in this Attachment A. Bidders should clearly state in their response to questions in Attachment A whether any specific documents are incorporated in their proposal by reference. In the event the attached documents are not references or referenced correctly, the PRT may exclude those attachments from consideration when scoring proposals.

The file names of such referenced documents that are included in a Bidder's electronic Technical Proposal submissions and uploaded to Bonfire should include, in the following order: i) Technical Proposal, ii) Bidder's name, iii) the Section number of the question for which the file is included as part of the response, and iv) a brief description of what is included in the electronic file. For example, if a Bidder references an attachment that includes financial statements in response to **Section 3.2.1.**, the following electronic file name would be appropriate: ***Technical Proposal – Bidder Name – Section 3.2.1. – Financial Statements.pdf***.

Section 2. Initial Qualifying Criteria

2.1. Completing & Submitting Initial Qualifying Criteria Documentation

As described in **RFP Section 5 – Criteria for Proposal Evaluation & Selection**, Bidders must complete and provide executed originals of the following documents as part of the proposal Bidders submit. Equalis Group will not consider a Bidder's Technical and Cost Proposals unless these forms are properly completed and submitted as part of the Bidder's proposal.

| | |
|---|--|
| 2.1.1. | Attachment C – Required Bidder Information & Certifications. This document includes information about the Bidder, key points of contact for proposal and legal questions that may arise during Equalis Group's review of the response, minority business enterprise and certifications, required affirmations subject to Ohio Revised Code guidelines, equal employment opportunity questions, questions regarding the subcontracting of certain elements of a Bidder's service delivery to Members, and confirmation that Bidder has reviewed and annotated, if applicable, the Equalis Group model i) Master Agreement, and ii) Administration Agreement entered into with Winning Suppliers. |
| Grainger has completed Attachment C and included a Letter of Clarification. | |
| 2.1.2. | Attachment D – W-9. Bidders must complete the W-9 form and include the completed W-9 form in their response. |
| Grainger has included its W9 | |
| 2.1.3. | Does your proposal include the properly completed and executed Attachment C and Attachment D ? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Grainger has included Attachment C and its W9 | |

Section 3. Bidder Overview & Qualifications

3.1. Company Information

| | | |
|--|--|--|
| 3.1.1. | Company Name & Address. | |
| Company Name: | W.W. Grainger, Inc. | |
| Headquarters Street Address: | 100 Grainger Parkway | |
| City, State & Zip Code: | Lake Forest, IL 60045 | |
| Main Telephone Number: | 800-472-4643 | |
| Website: | www.grainger.com | |
| 3.1.2. | Formation. In what year was the company formed? For how long has your company been operating under its present business name? If your company has changed its business name, include the most recent prior business name and the year of the name change. | |
| * Grainger was formed in 1928. W.W. Grainger, Inc., (Grainger) has been in business for 92 years under its current name. | | |
| 3.1.3. | Legal Structure. Check the box next to the option that best describes the company's legal structure. Include requested narrative in the space provided. | |
| <input checked="" type="checkbox"/> | Corporation – provide the State of incorporation and the company ownership structure. | Grainger was formed in 1928. W.W. Grainger, Inc., (Grainger) has been in business for 92 years under its current name. |
| <input type="checkbox"/> | Partnership – provide the State of registration and the names of all partners. | Click here to enter response. |
| <input type="checkbox"/> | Sole Proprietorship – provide the State of registration and the name and title of the principal. | Click here to enter response. |
| <input type="checkbox"/> | Joint Venture – provide the State of registration and the names and titles of all principals. | Click here to enter response. |
| <input type="checkbox"/> | Other – provide detailed description of corporate structure and ownership. | Click here to enter response. |

3.2. Financial Strength & Legal Considerations

| | |
|--|--|
| 3.2.1. | Financial Strength. Provide three (3) years of company and any parent company financial statements or other documents that speak to the financial strength of the company, such as the most recent Annual Report to Shareholders and 10K Report (if applicable) or audited financial statements, including income statement and balance sheet. <i>Note: you may mark this information as a "Trade Secret" per the terms of <u>RFP Section 3.4 – Trade Secrets Prohibition; Public Information Disclaimer</u> and provide your response to this question in a separate electronic file that includes a "Trade Secret" watermark. Any company financial information provided should be included as part of the Technical Proposal. The proposal scoring of this <u>Section 3.2.1.</u> for Bidders that do not provide any financial information will be zero/fails to meet.</i> |
| Grainger has included the most recent annual report which contains the last three year's audited financials. | |

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| 3.2.2. | Bankruptcy & Insolvency. Describe any bankruptcy or insolvency for your organization (or its predecessors, if any) or any principal of the firm in the last three (3) years. |
| Grainger has never filed for bankruptcy. | |
| 3.2.3. | Litigation. Describe any litigation in which your company has been involved in the last three (3) years and the status of that litigation. |
| <p>W.W. Grainger, Inc. is a publicly held company with over 25,000 employees, 264 US locations and 35 Canadian locations, involved in international operations, and is party to thousands of contracts and other relationships. From time to time the Company is involved in various other legal and administrative proceedings that are incidental to its business, including claims related to product liability, general negligence, contract disputes, environmental issues, wage and hour laws, intellectual property, employment practices, regulatory compliance or other matters and actions brought by employees, consumers, competitors, suppliers or governmental entities. As a government contractor selling to federal, state and local governmental entities, the Company is also subject to governmental or regulatory inquiries or audits or other proceedings, including those related to pricing compliance. It is not expected that the ultimate resolution of any of these matters will have, either individually or in the aggregate, a material adverse effect on the Company's consolidated financial position or results of operations. While Grainger cannot provide you with all of the specific information you request with respect to each lawsuit, Grainger can state that, to the best of its knowledge and belief, without conducting exhaustive investigations or inquiries, there are no lawsuits that, if unfavorably concluded against this company would have a material adverse impact on its financial condition or ability to do business. Grainger has never had any formal claims for breach of contract.</p> | |
| 3.2.4. | <p>Mandatory Contract Performance Disclosure. Pursuant to RFP Section 3.13, disclose whether the your company's performance and/or the performance of any of the proposed subcontractor(s) under contracts for the provision of services that are the same or similar to those to be provided for the Program which is the subject of this RFP has resulted in any "formal claims" for breach of those contracts. For purposes of this disclosure, "formal claims" means any claims for breach that have been filed as a lawsuit in any court, submitted for arbitration (whether voluntary or involuntary, binding or not), or assigned to mediation. For any such claims disclosed, fully explain the details of those claims, including the allegations regarding all alleged breaches, any written or legal action resulting from those allegations, and the results of any litigation, arbitration, or mediation regarding those claims, including terms of any settlement. While disclosure of any formal claims will not automatically disqualify a Bidder from consideration, at the sole discretion of Equalis Group, such claims and a review of the background details may result in a rejection of a Bidder's proposal. Equalis Group will make this decision based on the Proposal Review Team's determination of the seriousness of the claims, the potential impact that the behavior that led to the claims could have on the Bidder's performance of the work, and the best interests of Members.</p> |
| Grainger has never had any formal claims for breach of contract. | |
| 3.2.5. | <p>Mandatory Disclosure of Governmental Investigations. Pursuant to RFP Section 3.14, indicate whether your company and/or any of the proposed subcontractor(s) has been the subject of any adverse regulatory or adverse administrative governmental action (federal, state, or local) with respect to your company's performance of services similar to those described in this RFP. If any such instances are disclosed, Bidders must fully explain, in detail, the nature of the governmental action, the allegations that led to the governmental action, and the results of the governmental action including any legal action that was taken against the Bidder by the governmental agency. While disclosure of any governmental action will not automatically disqualify a Bidder from consideration, such governmental action and a review of the background details may result in a rejection of the Bidder's proposal at Group's sole discretion. Equalis Group will make this decision based on the Proposal Review Team's determination of the seriousness of the claims, the potential impact that the behavior that led to the claims could have on the Bidder's performance of the work, and the best interests of Members.</p> |
| Grainger has not been the subject of any adverse regulatory or adverse administrative governmental action | |

3.3. Industry Qualifications

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| 3.3.1. | Industry Experience. For how long has your company been in the maintenance, repair, and operations supplies and/or related products and services industry? What percentage of your company's revenue in each of the last three (3) full calendar years was generated from the provision of maintenance, repair, and operations supplies and/or related products and services? |
| <p>Grainger has been in the business of maintenance, repair and operations (MRO) products and services for over 92 years. Of its 3.8 million global customers, more than 1 million are in the United States. Grainger's offering includes 1.6 million products provided by over 5,000 suppliers and manufacturers supporting the US business. As many large corporations, Grainger has several revenue sources, Sales from its core business, MRO products and services, over the last three years, approaches 100% of its overall revenue.</p> | |
| 3.3.2. | Geographic Reach. Describe your company's service area in the United States (e.g., nationwide, the continental United States, or specific states or regions). If your company does not currently provide services nationwide, describe your plans/timeframes to achieve nationwide service provision, if applicable. |
| <p>Grainger's ecommerce platforms and branch and distribution centers provide a nationwide footprint. Grainger's catalog of 1.6 million MRO products and services is available throughout the 50 US states, its territories and the District of Columbia.</p> | |
| 3.3.3. | Certifications and Licenses. Provide a detailed explanation outlining the licenses and certifications that are i) required to be held, and ii) actually held by your organization (including third parties and subcontractors that you use). Has your company maintained these certifications on an ongoing basis? If not, when and why did your company lose any referenced certifications? |
| <p>There are no industry specific licenses or certifications that are required for the sale of MRO product under this agreement. There are tax licenses and certifications necessary to do business in all States and most localities. Grainger has all mandatory local, state and federal business licenses and certifications to operate in each of the 50 states, US territories and the District of Columbia. All are updated and maintained as required.</p> <p>There may some instances when a customer may request the purchase of a service and Grainger, through its Product Sourcing Department, will select a third-party service provider. This is based on the circumstances of the engagement, the individual customer needs, and contract requirements. The service provider will be identified on the quote for the customer's evaluation prior to purchase. This service provider will be selected by Grainger and presented to the customer so that together, the parties can confirm the service provider meets the desired requirements, including whatever local or state licensing or certifications the customer may have.</p> | |

3.4. Public Sector Focus

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|---|---|
| 3.4.1. | Public Sector Contract Vehicles. What Public Sector contract vehicles (e.g., state term contracts, General Services Administration schedules, group purchasing organization contracts, etc.) does your company have in place to provide maintenance, repair, and operations supplies and/or related products and services to public sector entities under an exemption from the standard public sector bid/RFP process? For each contract vehicle, when was the contract established, what is the expiration date, and is the award sole source or multi-source (i.e., is your company the only supplier for the spending category or are multiple competing suppliers included in the contract vehicle), and how much annual revenue your company generated through the contract(s) in each of the last three (3) calendar years? |
| <p>Grainger has multiple MRO contracts with the federal government, several state and local governments and cooperative agreements serving state and local governments, primary and secondary schools and higher education institutions. Our larger contracts are listed below:</p> | |

| Contract | Year Established | Expiration Date | Sole/Multi Award | Annual Revenue ♦ |
|---------------------------------|------------------|---------------------------------------|------------------|---|
| General Services Administration | 2/1/1999 | 11/09/2037 if all extension exercised | Multi | ♦ Grainger can provide more detail upon award with customer approval. |
| NASPO | 7/1/2018 | 6/30/2023 | Multi | |
| E&I | 1/1/2020 | 12/31/2029 | Multi | |
| OMNIA | 7/1/2019 | 12/31/2024 | Multi | |
| Sourcewell | 1/25/2019 | 1/25/2024 | Sole | |
| Region 4 OMNIA | 4/1/2020 | 3/31/2023 | Multi | |

Grainger's Government and Public Agency business in 2019 totaled over \$2 billion. Grainger can provide names and addresses of top Government, Healthcare, Education and Cooperative agreement customers upon contract award and permission is received from customers to release this information, which is proprietary in character and must be preserved. ♦

3.4.2. *Education Success.* What is the i) total dollar amount, and ii) percentage of your company's total annual revenue generated by sales to educational institutions (i.e., K-12 schools & school districts and high education)?

Grainger's annual revenue in 2019 from educational institutions was over \$300M

3.4.3. *Government Success.* What is the i) total dollar amount, and ii) percentage of your company's total annual revenue generated by sales to local governments (i.e., municipalities, counties, special districts, and state agencies)?

Grainger's annual revenue in 2019 from local government entities was over \$300M

3.4.4. *Public Sector Strategic Growth Plan.* Describe your company's three to five-year local government, K-12, and higher education sales objectives and the key elements of your strategic plan to achieve those objectives. What is the total annual dollar value of your company's revenue generated by sales to local governments and educational institutions in each of the last three (3) calendar years? What percentage of your company's total annual revenue is generated by sales to local governments and educational institutions?

Our strategy over the next three to five years is built around Grainger's core business – a high touch, high-service model where we will assist Equalis' members to identify the products they need and ensure that those products are available and delivered where needed. This strategy will execute on our competitive proposal, which includes significant incentives to move new customers to the Equalis agreement.

Underlying Grainger's core business is investment in team members gaining strong technical product knowledge and supply chain expertise. Our integrated system of 14 distribution centers holding approximately \$1.3B in inventory allows us to offer next-day delivery on more than 600,000 stocked products. Our offering includes an expansive list of MRO services. Grainger Team Members, manufacturers, suppliers or third-party installers can evaluate circumstances, present solution alternatives and install equipment.

Our significant digital infrastructure and analytical modeling capabilities support extensive demand planning and supply chain efficiencies. Grainger's advantaged position with its supply chain infrastructure, broad in-stock product offering and deep customer relationships will accrue to benefit Equalis and its Members.

The local government, K-12 and higher education market segments are Grainger focus areas where our dedicated government sales force has deep customer expertise. Our strategy recognizes that each government agency and education institution has particular needs and approaches. We address these dimensions by attending to the unique needs of each Equalis Member. Key elements of our offer include:

- A pricing offer constituting a most competitive proposal. Available nationwide, it crosses all categories by presenting a comprehensive market basket with access to Grainger's entire catalog. Incentive programs will drive cost savings' measures across a Member's entire organization. Notably, Grainger pricing is more market based, and lower than prior list prices; a larger category discount percentage of a competitor may not yield a lower product price.
- Incentives to attract new customers built on values resonating within the Equalis agreement.
- Equalis Member access to manufacturer-certified set up, product installation, post-installation services and maintenance services on a value-added fee and non-fee MRO basis.
- Access to Grainger's distributor alliance reseller program where small and disadvantaged businesses provide frontline services to public agencies and institutions.

Critical to our strategy is that Government Sales Team members are dedicated solely to the public sector. Beyond understanding its challenges, the Government Team brings insight to government-oriented products and services. The Government Team comprehends government programs addressing small business opportunities and promoting environmental products. It has proven fidelity to integrity and compliance responsibilities of the government and education segments.

Upon award, implementing this strategy will commence with the Grainger Customer Enablement Managers (CEMs) educating the Sales Team on key features of the Equalis Agreement. The Sales Team will have a working knowledge of the solicitation and awareness of the range of agencies and schools the Equalis Agreement is built around. The contract implementation plan will entail specific actions to promote, measure, and reinforce the contract's values. Progress will be tracked through Salesforce to gauge visibility and goal completion.

Grainger's short- and long-term strategy is delivering value to Equalis and its members. From initial implementation and throughout the agreement's term, our offer and work will remain relevant. It will be dedicated to expanding and maintaining Equalis Member participation and be based on reliability and trust.

Upon contract award and permission is received from customers, we can provide information addressing Grainger's revenue in the local government and education segments. This information is proprietary in character and must be protected from public release.

3.5. Customer References

| | |
|--------|--|
| 3.5.1. | <p>Provide references of at least five (5) local government or educational institution customers for which your company has provided products and services similar in nature and scope to those defined in this RFP in the last three (3) years. Your references should include a mix of types and sizes of public sector entities such as municipalities, K-12 schools or schools districts, and colleges and universities. Each reference should include:</p> <ul style="list-style-type: none"> • Customer name and location; • Customer contact person and their title, telephone number, and email address; • A brief description of the products and services provided by your company; • Customer relationship starting and ending dates; and, • Notes or other pertinent information relating to the customer and/or the products and services your company provided. |
|--------|--|

| | |
|-----------------------|---|
| Customer Name | Northside ISD |
| Location | 607 Richland Hills Dr Ste 700 San Antonio, TX 78245 |
| Contact Name & Title | George Ayala, Director of Purchasing |
| Contact Phone & Email | 210-397- 8701 / George.ayala@NISD.net |

| | |
|------------------------------|--|
| Customer Contract Term | Customer is aligned to Omnia City of Tucson contract. Current Omnia Agreement 7/1/19 – 12/31/22, the agreement has two (1) year optional renewals bring the agreement to 12/31/24. |
| Products & Services Provided | Grainger provides MRO products for facilities, safety and transportation departments |

| | |
|------------------------------|--|
| Customer Name | SUNY Suffolk Community College |
| Location | 533College Rd Selden, NY 11784 |
| Contact Name & Title | Beatriz Castano, Adm Dir for Bus Ops |
| Contact Phone & Email | 6314514435/castanb@sunysuffolk.edu |
| Customer Contract Term | SUNY E&I contract expires on 12/31/20 and new SUNY E&I contract expires on 12/31/24 |
| Products & Services Provided | Grainger provides MRO products across all 32 MRO categories, services and supports KeepStock Inventory Management Services, and provides Sourcing Services |

| | |
|------------------------------|--|
| Customer Name | Nassau County Dept. General Services |
| Location | 1550 Franklin Ave Mineola, NY 11501 |
| Contact Name & Title | Ed Melina, Proc Supr/Material Moving Specialist |
| Contact Phone & Email | 5165716225/emelina@nassaucountyny.gov |
| Customer Contract Term | 3 years |
| Products & Services Provided | Products include safety, HVAC and janitorial. Services include ecommerce solution and Order Management System and general services |

| | |
|------------------------------|---|
| Customer Name | Bronx Community College |
| Location | 2155 University Ave Bronx, NY 10453 |
| Contact Name & Title | Tony Colon, Adm Supt |
| Contact Phone & Email | 718-289-5241 / Anthony.colon06@bcc.cuny.edu |
| Customer Contract Term | 5 years |
| Products & Services Provided | Products across all categories and services include consulting and KeepStock Inventory Management Solutions |

| | |
|------------------------------|---|
| Customer Name | Adelphi University |
| Location | 1 So. Ave, KFA Bldg., Facilities Garden City, NY 11530 |
| Contact Name & Title | Vito Civarelli, Manager Maintenance and Repair |
| Contact Phone & Email | 516-877-3973 / civorelli@adelphi.edu |
| Customer Contract Term | 5 years with E&I |
| Products & Services Provided | Products and services for facilities, dorms and sports facilities |

3.6. Insurance Coverage

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| 3.6.1. | General Liability, Property & Automobile Insurance. If your company is selected as the Winning Supplier, during the term of any agreements between your company and Equalis Group, and for two (2) years following expiration or termination of such agreements, your company, at its own expense, will maintain and will require that its agents, subcontractors, or suppliers engaged in your company's | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
|--------|--|---|

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| | performance of its duties under such agreements, maintain general liability insurance, property insurance, and automobile insurance (at a minimum, in the amount of \$1,000,000 per occurrence/\$5,000,000 annual aggregate) applicable to any claims, liabilities, damages, costs, or expenses arising out of its performance under such agreements. Confirm that your company either a) has, or b) will purchase insurance coverage as described herein. | |
| Please see Master Agreement | | |
| 3.6.2. | Employee Dishonesty – Members. The Winning Supplier shall be held fully liable for any and all dishonest acts of its employees and/or its subcontractor's employees. Coverage must be provided for Third Party Employee Dishonesty, covering all employees and all officers of your company and any subcontractors, in an amount not less than \$100,000 per occurrence. Confirm that your company either a) has, or b) will purchase insurance coverage as described above covering all employees and all officers of your company, in an amount not less than \$100,000 per occurrence for each Equalis Group Member utilizing the Program. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Please note that while Grainger does not specifically carry these policies, Grainger is self-insured for these and other similar events. Grainger will not be purchasing the insurance described but considers itself these types of events covered by its self-insurance program. Please see the W.W. Grainger, Inc. annual report for proof of the financial capacity to self-insure for these types of events. | | |
| 3.6.3. | Third Party Employment Practice Liability – Members. The Winning Supplier shall be held fully liable for any and all employment practice acts of its employees and/or its subcontractor's employees, such as, but not limited to, sexual harassment and discrimination. Coverage must be provided for employment practice liability, covering all employees and all officers of your company and any subcontractors, in an amount not less than \$1,000,000 per occurrence. Confirm that your company either a) has, or b) will purchase insurance coverage as described above covering all employees and all officers of your company, in an amount not less than \$1,000,000 per occurrence for each Equalis Group Member utilizing the Program. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Please note that while Grainger does not specifically carry these policies, Grainger is self-insured for a these and other similar events. Grainger will not be purchasing the insurance described but considers itself these types of events covered by its self-insurance program. Please see the W.W. Grainger, Inc. annual report for proof of the financial capacity to self-insure for these types of events. | | |

Section 4. Products and Services

4.1. Products & Services

| | |
|--|--|
| 4.1.1. | Product(s) Description. Provide a detailed description of the products you are offering as a part of your proposal. |
| <p>Grainger's proposal encompasses its entire catalog of 1.6 million MRO products and services covering 26 MRO categories and the expertise of Grainger employees. Our offering captures the routine to specialized MRO product or service; it is supplemented by sourcing proficiency. The portfolio is continually enhanced to meet evolving Equalis Member needs.</p> <p>Products cover the following categories: In addition to the requirements listed in this RFP, Grainger is offering its complete catalog which includes: Abrasives, Adhesives, Sealants and Tape, Cleaning and Janitorial, Electrical, Electronics, Appliances and Batteries, Fasteners, Fleet and Vehicle Maintenance, Furniture, Hospitality and Food Service, HVAC and Refrigeration, Hardware, Hydraulics, Lab Supplies, Lighting, Lubrication, Machining, Material Handling, Motors, Office Supplies, Outdoor Equipment, Paint, Equipment and Supplies, Plumbing, Pneumatics,</p> | |

Power Transmission, Pumps, Raw Materials, Reference and Learning Supplies, Safety, Security, Emergency Preparedness, Test Instruments, Tools, and Welding.

We distribute the most comprehensive line of MRO products and service categories and anything related to small, medium and large commercial, government and institutional customers. Critical to our approach is an offering of scale and breadth encompassing each category and subcategory noted below. We compete directly and emphatically with specialized distributors and manufacturers across the MRO market. We use a range of specialty suppliers for our sourcing offer including local and national product vendors. We continually evaluate products and services to remain relevant to our customers. We add products and suppliers on a daily basis.

During the past 18 months we added more than 30,000 products in top categories. SKU quantities in top categories are enumerated below.

| Category |
|--|
| Adhesives, Sealants and Tape |
| Motors |
| Fasteners |
| Hand Tools |
| HVAC and Refrigeration |
| Lighting |
| Lubrication |
| Material Handling |
| Outdoor Equipment |
| Paint, Equipment and Supplies |
| Pneumatics |
| Power Tools |
| Power Transmission |
| Machining |
| Pumps |
| Security |
| Test Instruments |
| Welding |
| Abrasives |
| Electronics, Appliances, and Batteries |
| Lab Supplies |
| Cleaning |
| Electrical |
| Safety |
| Plumbing |
| Air Filters |

Additional Category Discount Incentive: Grainger proposes a 2% increased discount on each of the defined 26 MRO categories for the following contract year for Members who:

- Purchase at least \$30,000.00 in Total Member Purchases during the Contract Year
- AND Grows Total Member Purchases at least 12% over the preceding Contract Year

Within Grainger product categories, there are several offerings directed to specific Member requirements, including:

Grainger Choice Brands

When Equalis Members are looking for ways to do more with less, it is important to have easy access to dependable products that help keep Equalis Members' facilities functioning. Grainger Choice products are identified on grainger.com with a Grainger Choice badge. Products range from safety, lighting, and pumps to material handling, fasteners, and parts. Grainger Choice products deliver the **quality, value, and selection** Equalis Members demands. Grainger's exclusive brands and products carrying the Grainger Choice designation are continuously evaluated for dependability and durability.



Items with this badge are part of a broad selection of private brand products that deliver high quality at a competitive price.

- **Quality:** Grainger Choice **product quality meets or exceeds** many national brands.
- **Value:** The Grainger Choice badge signals affordable, durable products that will help Equalis' Members **save time and money**. Grainger stocks Grainger Choice brands in its distribution network and are available immediately.
- **Selection:** Find the Grainger Choice badge on **thousands of items**.

| Private Brand | Products |
|---|---|
|  | Air Filtration Products: Air Filter Frames, Air Filters, Fan Shrouds, Paint Booth Liner Paper, Specialty Filtration |
|  | Personal Protective Equipment: Earmuffs, Eyewear Side Shields, Face Shields, Gloves, Hard Hat Liners, Headgear, High-Visibility Apparel, Protective Clothing, Rainwear, Safety Glasses, Safety Goggles, Dust Masks, Safety Footwear |
|  | Industrial Hand Tools: Tool Storage, Master Tool Sets, Mechanics Tools, Hand Tools, Test Instruments, Stationary Power Tools, Pneumatics, Fleet Vehicle Maintenance, Lift Equipment, Precision Measurement, Shop Supplies, Outdoor Equipment, Safety |
|  | Electromechanical and Material Handling: Motors, Power Transmission, HVAC, Pumps, Vacuums, Battery Chargers, Dust Collectors, Stationary Tools, Pneumatics, Relays, Hand Trucks, Carts, Pallet Trucks, Lifts, Winches |
|  | Lighting and Fixtures: Lamps, Ballasts, Desk Lights, Dock Lights, Flashers, Flashlights, Jobsite Lighting, Fixtures, Machine Tool Lights, Magnifier Lights, Motion Sensors, Portable Lighting, Recessed Lighting, Task and Track Lighting |
|  | Pneumatics: Abrasive Blasters, Air Compressors and Accessories, Air Dryers, Low Oil Monitors, Compressor/Generators, Desiccant Dryers, Dry Air Systems, Hose Reels, Oil Filters, Spray Guns and Accessories |
|  | Janitorial Supplies: Cleaning Chemicals, Cleaning Supplies, Hand and Personal Hygiene, Restroom Equipment, Waste Containers and Liners |

Diverse Supplier Products

Grainger's Tier 2 Supplier Diversity Program affords Equalis Members with access to diverse manufacturers and suppliers through its catalogs and distribution channels. Started in 1999, this program is designed to grow this sector of the economy while helping customers get their jobs done with quality products from diverse business enterprises (DBEs).

The economic impact of this program continues to increase.

- More than 270 DBEs and 91,000+ items across 1,600+ product categories
- More than 300,000 products from 2,000+ small business enterprises (SBEs)

Through this program, Equalis Members will have access to DBE products through all ordering options (including Grainger.com, the catalog, phone, fax, and walk-ins) and distribution channels. Equalis Members will benefit from one-stop shopping and supplier diversity reporting upon request. Registered suppliers are audited monthly to maintain active supplier diversity certificates.



- Products from diverse manufacturers and suppliers are identified with this diversity symbol on Grainger.com and in the catalog and index.
- On Grainger.com, customers can use the search keywords "supplier diversity" or use the Supplier Diversity filter to shop for products from diverse suppliers.

Pandemic Products

Grainger can assist Equalis Members respond to the Pandemic demands and challenges. Grainger products address: **Phase 1** Pre-Occupancy Pre-Start-Up, **Phase 2** Start-Up and Occupancy, and **Phase 3** Sustaining & Improving.

Phase 1 Products:

| SAFETY | | | | | |
|---|---|--|---|---|--|
| Wall and Floor Signage  | Safety Signs  | Hands Free Door Pulls  | Social Distancing Barriers & Plastic Films  | Floor Marking Tape  | Social Distancing Floor Matting  |

| CLEANING | | PERSONAL PROTECTIVE EQUIPMENT (PPE) | | |
|--|---|--|--|---|
| Cleaning Supplies  | Cleaning Chemicals  | Hard Hat Sticker Labels  | Disposable Gloves  | Cloth & Procedural Masks  |

Phase 2 products:

| DEEP & FREQUENT CLEANING | | | | |
|--|--|---|---|--|
| Floor Cleaning Machines  | Cleaning Supplies  | UV Sterilization Chamber  | Janitor & Housekeeping Carts  | Vacuum Cleaners & Accessories  |

| AIR FILTERS | | SAFETY | | |
|--|--|---|--|---|
| HEPA Air Filters  | V-Bank Air Filters  | Infrared Thermometers  | Disposal Thermometers  | Digital Thermometers  |

Phase 3 products:

| | | |
|---|---|---|
| Hand & Power Tools  | Surface Protection Films  | Test Instruments  |
|---|---|---|

Environmentally Preferred Products

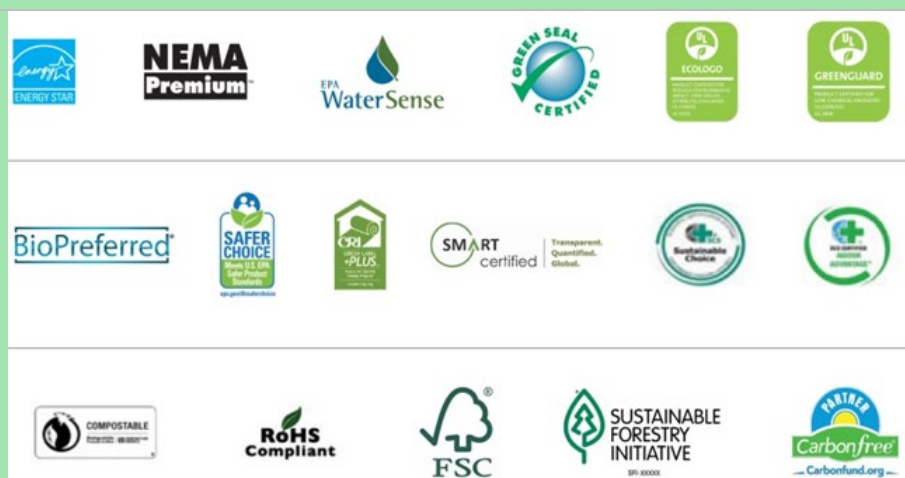
Sustainable Supply Chain: Grainger's product offering includes more than 100,000 products that help Equalis Members maintain sustainable initiatives through efficient energy management, water conservation, waste reduction, and air-quality improvement. These products **are** classified by maintaining one or more environmentally preferable certifications or attributes.



To provide an additional measure of confidence to customers, Grainger receives ongoing verification of its **environmentally preferable SKU designation** from UL, Inc. (the former Underwriter's Labs). These environmentally preferable products are clearly designated on Grainger.com by a green leaf and totaled more than \$675 million in 2019 sales.



Products in our EPP portfolio, designated by a green leaf on Grainger.com®, fall into two categories—those certified by independent organizations and those that have “green environmental attributes.” A certification acts as a stamp of approval that a product has met certain environmental standards such as energy efficiency (ENERGY STAR®) or low toxicity (Green Seal®). Attributes are environmental qualities or features tied to a specific product. We ask our suppliers to provide these attributes or certifications, and our external partner, UL LLC (formerly Underwriters Laboratories), verifies the viability of the description of the product.



Grainger offers products with third-party “green” certified logos. The green leaf symbol in the Grainger General Catalog and online at www.grainger.com helps U.S. customers identify environmentally preferable products to address their sustainability objectives.

4.1.2. Open Market Products. Provide a detailed description of your ability to accommodate requests for Open Market Products. Open Market Products is a category of products that cannot be found in your standard catalog offering or non-inventoried products.

Grainger’s dedicated sourcing team procures MRO materials and supplies products not found in the Grainger General Catalog. Knowing our customer’s facilities are specialized and that product lead times are critical; Grainger works with local and national suppliers throughout the US to address specialized customer product needs.

Grainger’s sourcing team leverages Grainger’s buying power for miscellaneous related products and provides customers with a total cost solution for acquiring infrequently ordered items. Through this channel, Grainger provides quick access to over 16,000 suppliers and more than five (5) million products beyond the Grainger catalog offering. Additionally, this channel provides access to line extensions (non-Grainger General Catalog product from Grainger General Catalog suppliers) and some discontinued product catalog lines.

Grainger sourcing team accomplishes this through:

- A centralized, dedicated, and experienced team to quote and manage orders.
- An expanded assortment through a large supplier network of manufacturers and distributors. This generally includes:
 - Expanded offering from core (Catalog) suppliers
 - Products from non-core suppliers
 - Custom products

- Select services
- Shipping orders directly from suppliers to Grainger customers

4.1.3. Customized Offering. Describe how you are able to customize the program offering to Equalis Group Members.

As detailed on Attachment E, Grainger's customized offer to Equalis includes:

- A Market Basket providing deep discounts on a variety of products. Products in this list represent large annual spend in terms of dollars and/or highest volume in terms of quantity. Pricing for Market Basket items shall be provided to all participating Equalis members.
- For products beyond the Market Basket, access to Grainger's full catalog at significant discounts across all 26 MRO categories.
- An Equalis incentive and growth program providing opportunity for a 2% increased category discount on each of the 26 MRO categories.
- An Equalis Plus Program: a cost savings program with custom incentives and rebates defined through a participating addendum and approved by Equalis

Sourcing

Grainger sourced product and product related service are competitively priced based on current market conditions. Grainger's sourcing terms and conditions are provided below:

The following additional terms and conditions apply to Grainger's sourcing offering:

Grainger will source products not available through the Grainger General Catalog ("Sourced Products"). The pricing model for Sourced Products is based on current market conditions and is competitive for spot buy situations on a per order basis.

Freight for Sourced Products is F.O.B. shipping point, paid by Grainger and billed to locations within the continental United States. Other terms and conditions may apply for other freight services ("Other Freight Services"), including without limitation, expedited same day delivery, air freight, freight collect, export orders, hazardous materials, Member's carrier, shipments ., or other special handling by the carrier. Any charges incurred for Other Freight Services must be paid by the Member. Fuel surcharges may be applied.

THE PRODUCT WARRANTY PROVIDED BY THE MANUFACTURER AND/OR SUPPLIER OF THE SOURCED PRODUCT WILL BE BUYER'S SOLE REMEDY. SELLER'S LIMITED WARRANTY TERMS INCLUDED IN AN AGREEMENT OR SELLER'S WEBSITE TERMS AND CONDITIONS DO NOT APPLY TO SOURCED PRODUCTS.

A RGA (Returned Goods Authorization) must be issued by Grainger prior to returning Sourced Products; the RGA is good for thirty (30) days after issuance. Returns will be sent directly to the sourced supplier, and not to a Grainger location, unless otherwise instructed in the RGA. Returned Sourced Products may incur a restocking fee based upon the Sourced Product sell price, plus freight paid by Grainger and added, unless shipment was the result of Grainger or manufacturer error. Special manufactured and custom engineered products are sold on a "FINAL SALE" basis only and no changes, cancellation, returns or refunds are allowed.

In the event that Grainger agrees to stock an agreed upon quantity of Sourced Products for the Member, upon expiration or termination of the Agreement, Member agrees to purchase all remaining stocked Sourced Product. Grainger will invoice Member within (30) days of expiration, cancellation or termination of the Agreement.

4.1.4. Service(s) Description. Provide a detailed description of the services you are offering as a part of your proposal.

Grainger's offer includes the following **core services** provided for all customers who implement Grainger solutions. These are explained in detail in this section:

- **eCommerce / eProcurement Solutions**
- **KeepStock Inventory Management Solutions including Vending**

- Consulting Services
- Installation, Repair, Maintenance and Turn-Key Solutions & Services
- Customer Enablement
- Value Reporting
- Technical Support Services
- Customer Support

eCommerce / eProcurement SOLUTIONS

With our eCommerce capabilities, customers may choose to order over the Internet through Grainger.com, place an EDI order or order through a procurement solution such as Ariba, SAP, or Oracle.

Grainger.com is an intuitive, fully configurable eCommerce solution with enhanced tools for better purchasing control that is tailored to Equalis Members' purchasing process.

| Grainger's eCommerce Online Ordering | | |
|--|---|---|
| Grainger Online Ordering Benefits | • Access to over 1.6 million products for Equalis Members sites | • Searchable customer part numbers |
| | • Equalis Members' specific Grainger Agreement pricing | • Order management and budgeting per user |
| | • Item comparison | • Auto reorder |
| | • Copies of invoices and packing slips | • Real-time product availability |
| | • Order history and order status | • eQuotes |
| | • Personal and shared lists | • Click to Call and chat support |
| | • Customizable order and line-level data fields | |

Grainger.com is an online solution to find the products Equalis Members' needs, compare like items, and purchase products efficiently. Equalis Members can also access real-time availability and track order history.

Grainger.com can manage Equalis Members spend and increase contract compliance by:

- Approving orders and workflows
- Configuring spend limits
- Retrieving procurement reporting

Grainger's Order Management Solution can help Equalis Members:

- Manage single sign-on for online and KeepStock® solution orders.
- Create up to four levels of order approvals.
- Budget approvals per spend limit of individual users.
- Set spend limits for multiple users.
- View Equalis Members' Grainger order history.
- Track order status.
- Change delivery information for standard shipping orders.
- Set order approval controls.
- Receive order confirmations.

Grainger will work with Equalis Members during the implementation phase to create user IDs, approvers, and workflows

Mobile App

The Grainger mobile app gives access to more than 1.6 million products and allows Equalis Members' end users to quickly find and order products. End users can view Equalis Members' account pricing, and check product availability in the office or out on a job site.



With a mobile app for iPhone and Android devices plus a mobile site optimized for any smartphone Equalis Members' employees can access an enhanced Grainger.com from any location: job site, truck, plant floor, and garage or maintenance shop. Employees can log in, view pricing, confirm local product availability, approve pending orders, and check out. The product will be ready for pickup at a Grainger branch or shipped directly to an office or job site.

eProcurement

Grainger's eProcurement solutions automate MRO purchases and invoicing to eliminate transaction steps and increase data accuracy.

Grainger eProcurement solutions can integrate Equalis Members' purchasing and enterprise resource planning (ERP) systems. Grainger connects to customers through electronic marketplaces, exchanges, or ERP systems via universal technology standards like cXML and EDI. Grainger also offers shopping solutions behind Equalis Members' firewall through a static catalog or punch out.

eProcurement solutions allow Equalis Members to:

- Control spend more effectively.
- Reduce purchasing-agent overhead.
- 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 and EDI. 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' ERP systems** – Grainger can integrate its general catalog and buying process with Equalis Members' purchasing and ERP systems. If Equalis Members users punch out from Equalis Members' ERP, they can access Grainger's online catalog and return the shopping cart back to Equalis Members' purchasing system to manage the order workflow.

Grainger will set up a scoping call with its e-business integration team to understand needs and customizations to ensure a proper integration. Grainger has **experience with more than 140 eProcurement platforms** and can provide end-to-end integration capability to drive streamlined processes. That means Equalis Members will reduce costs through productivity enhancements and lowering Equalis Members' direct ordering cost. Grainger's dedicated team of experts will help Equalis Members customize and implement the solution.

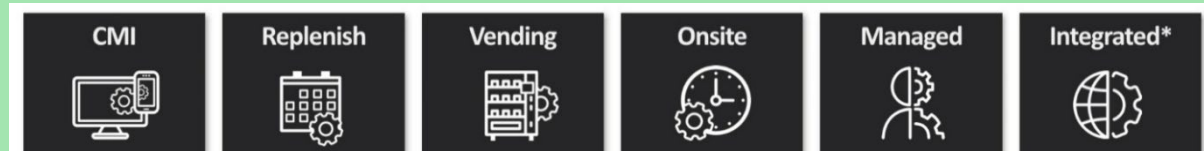
Some of the most popular ERP and supply chain/procurement platforms selected by Grainger customers



KEEPSTOCK INVENTORY MANAGEMENT SOLUTIONS






Grainger's KeepStock Inventory Management Solutions help agencies, institutions, and businesses better understand their inventory and reduce the costs to manage it. Grainger's solutions can enable multiple cost-savings opportunities around Equalis Members' process, inventory, and product. Today Grainger helps over 12,000 customer facilities manage over 14 million storage areas.

Grainger's solutions range from providing digital technology that helps Equalis Members manage its own inventory levels, **Digital/CMI**, to standard Vendor Managed inventory solutions, **Replenish and Onsite including Vending**, to managing complete storeroom or crib across multiple suppliers' products with our **Managed MRO solution**. Additionally, we have partnerships to support an integrated supply model to manage the entire MRO supply chain. To meet customer requirements, Grainger can implement any and all solutions at a single customer location.



Inventory management is not a “one size fits all” solution. Grainger takes a **customer-centric approach** to align solutions with Equalis Members' needs. Grainger will work with Equalis Members to identify inventory challenges, determine where and how inventory is used, and develop a solution. Managing inventory effectively is core to Grainger's operations.

KeepStock Customizable Inventory Management Solutions Include:

- 
1. KeepStock Digital
 Customer-managed inventory (CMI) leveraging mobile and desktop technology for improved visibility and management of Grainger materials from anywhere, 24/7
- 
2. KeepStock Replenish
 Vendor-managed inventory (VMI) where a Grainger representative is on-site via scheduled visits, assisting in the management, analyzation and stocking of Grainger items
- 
3. KeepStock Vending
 Secure dispensing machines to monitor and control Grainger supply usage 24/7 (also VMI)
- 
4. KeepStock Onsite
 A full-time, dedicated Grainger representative on-site for large managing all Grainger materials
- 
5. KeepStock Managed
 A Grainger specialist on-site managing all Grainger and non-Grainger inventory

KeepStock® Digital/CMI

The KeepStock Digital/CMI customer-managed inventory solution leverages mobile and desktop technology to give customers complete control of their Grainger inventory. Grainger offers this program for no additional charge to any customer interested in self-managing inventory.

The web-based tool can manage inventory to Equalis Members' specific operations across multiple locations. This easy-to-use and powerful software solution offers visibility, flexibility, and control while managing product.

Key features of Grainger's Digital/CMI solution include:

- Easily search, buy, and management of Grainger products.
- Scan barcodes and send orders from the Grainger app.
- Adjust min/max and reorder points to ensure Equalis Members has continuous availability of product.
- Manage users and approvals to control and track spend.
- Easily add, edit, and replace items.
- Access order history and purchase information to make informed inventory decisions.

KeepStock® Replenish

Replenish is a vendor-managed inventory (VMI) solution that helps manage, streamline ordering and stock commonly used Grainger items and support spot buy urgent needs. Grainger's resource ensures that Grainger products are on the shelves at the approved min/max inventory levels. Key features of Grainger's Replenish solution include:



- Streamline Grainger-supplied inventory management through item identification and barcode labeling.
- Manage inventory levels to jointly established minimum/maximum stocking levels.
- Document standard operating procedures at Equalis Members' locations to provide direction and continuity of service.
- Understand Equalis Members' inventory needs and provide inventory insight and the ability to view slow/dead moving product.






KeepStock® Vending

KeepStock Vending is an industrial dispensing solution that uses secure machines to control issuance and is the best answer when Equalis Members needs 24/7 access to products at point of use locations. This is an ideal solution for controlled access to consumable inventory and can be used for durable goods check-in and check-out. This option helps the customer with consumption reduction, shrinkage, and accountability for high cost test instruments and tools.

There are **no delivery, installation, maintenance, rental, or usage fees for the Grainger equipment** however, Equalis Members must maintain a minimum annual purchase level of Grainger's goods through each piece of equipment (net of freight, taxes, credits, and returns) as designated on the equipment schedule for each machine type.

Grainger will provide complete project management of the dispensing machines implementation — including planning, transportation, installation, onsite training, and replenishment services. Equalis Members are responsible to provide the employee list or means of authentication, the necessary electrical connection, and connectivity requirements, (Wi-Fi, CAT5 or cellular).

To better serve Equalis Members' dispensing needs, Grainger has a variety of standard offer machine-types, security level capability, and check in/out features. **Machine types include: Coil, Carousel, WeighStation, eCab, Locker, Drawer, and Flip Top.**

|  |  |  |  |  |  |  |
|---|--|--|--|--|--|---|
| Coil | Locker | Carousel | Drawer | eCab | WeighStation | Flip Top |
| <p>For small, individual products</p> <ul style="list-style-type: none"> • A simple, familiar, versatile solution • Very high security • Up to 70 unique SKUs • Consignment available | <p>For large consumables or durable products</p> <ul style="list-style-type: none"> • Need access control down to each individual door • Medium to high security • Up to 24 doors • Check-in/check-out available | <p>For large quantities of consumable items in one visit & check-in/check-out durable items</p> <ul style="list-style-type: none"> • High to very high security • Up to 560 unique SKUs • Check-in/check-out available • Consignment available | <p>Dispensing products in a compact, point-of-use workstation</p> <ul style="list-style-type: none"> • Can be fitted with castors for mobility • Medium security • 9-drawer configuration • Check-in/check-out available | <p>For fast & easy access to multiple consumable products at a time</p> <ul style="list-style-type: none"> • You scan the barcode of the items you take • Low to medium security • Up to 105 bins (1-door) • Up to 210 bins (2-door) | <p>An effortless vending experience</p> <ul style="list-style-type: none"> • The machine senses & reports what is taken automatically • Medium Security • Up to 96 bins (1-door) • Up to 192 bins (2-door) | <p>Dispensing production metalworking products</p> <ul style="list-style-type: none"> • Controlled access to each bin • High to very high security • Up to 384 bins (Mini) • Up to 1,782 bins (Flip Top) • Check-in/check-out available • Consignment available |

KeepStock® Onsite

KeepStock Onsite is a VMI solution for **larger, more complex customers** who will drive consolidated spend with Grainger. This highly impactful solution creates documented value when the customer is providing a dedicated workspace for the Grainger specialist who will provide inventory management and product expertise to support all Grainger-supplied inventory. Key features of Grainger's Onsite solution include:

- Desktop delivery.

- Customer provided dedicated workspace for Grainger
- Streamlined Grainger-supplied inventory management through item identification and barcode labeling.
- Inventory levels managed to the established minimum/maximum stocking levels and items scanned for reorder
- Organized Grainger inventory and restocked products in proper location.
- Standard operating procedures documented at Equalis Members' locations to provide direction and continuity of service.

KeepStock® Managed

This fee-based solution places Grainger's inventory specialists at Equalis Members' facility to manage all indirect material requirements **for Grainger and non-Grainger product**. Grainger can provide this service within Equalis Members' existing inventory management system **or** provide the hardware and software to manage all inventory. Equalis Members maintains full control of all procurement and purchasing decisions.

The focus of Managed is to find ways to reduce product expense, better leverage inventory investment, and increase productivity. Fees may be offset through consolidation/volume incentive rebates. Key features of Grainger's Managed solution include:

- Up to 24/7 coverage.
- Highly trained Grainger resources skilled in inventory management best practices, plus onsite support.
- 90+ job tasks across 6 categories: Source, Procure, Stock, Consume, Analyze, and Adjust
- Storeroom design and layout, process mapping, and material management systems are available.
- Data and process standardization for improved compliance and visibility.
- Customized and documented key performance indicators (KPIs).

KeepStock Enabled Capabilities

The following enabled capabilities are available for all Grainger KeepStock solutions **except** the Digital/CMI customer managed inventory option.



eProcurement



Trailer



Consignment

- **eProcurement:** This capability integrates KeepStock ordering with Equalis Members' procurement system or marketplace to create an efficient connection and automated processes.
- **Trailers:** This capability provides temporary storage for Grainger products when special projects, plant turnarounds, or other planned events create an increase in demand.
- **Consignment:** This capability sets up consigned inventory that delays invoicing of qualified Grainger products. To free up additional working capital, the products are stored in a secure location at Equalis Members' facility until time of use.

Consulting Services

Grainger Consulting Services is an industry-leading team of experts that is dedicated to helping Equalis Members solve the most pressing MRO challenges. Grainger's team analyzes Equalis Members' current state and identifies relevant and comprehensive opportunities for improvements. This drives measurable efficiencies and cost savings.

Grainger's Cost-Driven Differentiators: Grainger Consulting Services has built its strategy and expertise around three major cost areas. Each can represent a significant opportunity to deliver savings and value back to Equalis Members' organization.

1. **Process:** Grainger can help improve productivity by simplifying Equalis Members' procurement and inventory processes while lowering the internal cost to procure and manage MRO parts and supplies.
2. **Supplier:** Grainger will show Equalis Members how to leverage its suppliers to get the most value for every dollar spent. Grainger's goal is to consolidate spend among fewer suppliers who do more to return value.

- 3. Inventory:** Grainger will help optimize Equalis Members' inventory position, improve services levels, and minimize the risk of stock-outs — resulting in better operational performance.

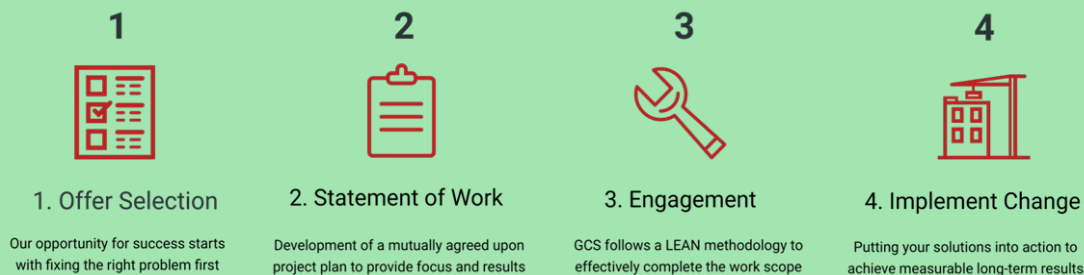
Grainger's Approach to Continuous Improvement: Grainger uses a Six Sigma problem-solving methodology known as DMAIC. This proven continuous improvement approach ensures that Grainger's services deliver consistency and quality.



Organizations who choose Grainger's consulting services and implement the recommendations typically save:

- 20 to 30% in process costs
- 10 to 20% in product and supplier costs
- 25 to 35% in inventory costs

Grainger's Partnership: Grainger will work with Equalis Members through four steps to drive consistency and results, from the first conversation through implementation.



Installation, Repair, Maintenance and Turn-Key Solutions & Services

Our offer includes ability to provide Installation, repair, maintenance and turn-key solutions and services through Contractors business units, authorized manufacturer's facilities or other avenues. Grainger will assist Equalis Members in working with manufacturers, suppliers and third-party installers, as to product, equipment, maintenance and related training programs. These programs include manufacturer-certified set up, product installation, post-installation services and maintenance services. Provided below is Grainger's current core list of value-added, fee, and non-fee, MRO related solutions. Services provided by third-party providers may be subject to a fee agreement between Grainger and the provider. Grainger will continue to adjust services offered as solutions become available. Grainger's offerings of value-added support services of products or equipment includes:

- Grainger's network of installers provides turnkey and/or labor-only fixed fee installation and support services.
- Turnkey service offerings include materials, labor, recycling, rebate administration and tax deduction documentation, if applicable.
- Currently Grainger has identified 65 companies that have satisfied our vetting process. All companies used by Grainger are licensed, insured, qualified and capable of performing in accordance with Member service requirements.

Customer Enablement

Implementation plans are developed by carefully assessing customer needs. Grainger's goal is to create the best possible customer experience, drive adoption at all targeted locations, and meet or exceed cost savings objectives.

Grainger maintains a team of Customer Enablement Managers (CEMs) who partner with our Customers to enable the changes needed to meet the goals and objectives of Contracts and Agreements.

Grainger's Customer Enablement team is **committed to identifying and delivering the best solutions** for Equalis Members. This team is experienced and will help Equalis Members optimize the benefits resulting from the products, services, and resources Grainger offers. By aligning with this experienced, professional Grainger team, Equalis Members will be uniquely positioned to realize effective ideas and improvements.

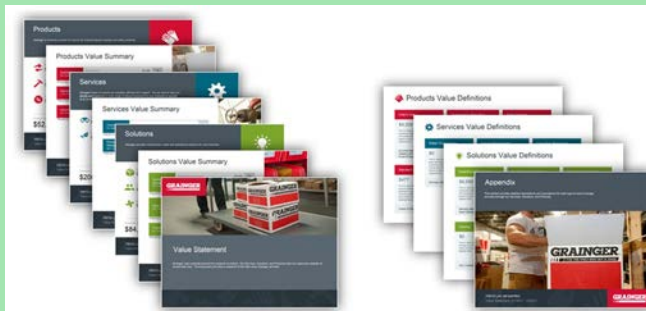
The Grainger Customer Enablement team will:

- Accelerate awareness of the Grainger partnership and its benefits across Equalis Members' locations
- Drive adoption through collaboration
- Focus resources based on Equalis Members' priorities
- Leverage Grainger's proven change management approach

Grainger's Implementation manager will track milestones and activities. Project status meetings will provide Equalis Members with visibility to completion.

Value Reporting

The Documented Value Program is a technology solution developed by Grainger which enables the tracking, visibility and reporting of key acquisition metrics.



- The Documented Value Program tracks 24+ points of value across Grainger's products, services and solutions.
- The Grainger Value ReceiptSM provides documentation of a specific values approved by a Member.
- The Grainger Value Statement is a comprehensive summary of the total value Grainger provides in a Member customized report.

Grainger's premier reporting software includes SAP BusinessObjects, which specializes in business intelligence.

BusinessObjects provides customer reporting, query, and analysis for most of Grainger's standard reports. Other standard reports include:

- **Tier** – This workbook includes the Overall Purchase Analysis, Item Purchase History, Product Line Distribution, Purchase by Supplier, and Cost Savings Analysis reports plus a summary page.
- **KPI** – Order summary with ship-complete rating, order accuracy, order adjustments, and on-time shipping.
- **Item Purchase History** – This summary report shows items purchased by track code, sub-track code, and/or account number. Includes total sales and quantity per item.
- **Supplier Diversity** – Reports sales by historically diverse suppliers.

Technical Support Services

Grainger offers direct technical support from knowledgeable field personnel and manufacturers' field representatives. In key supplier programs, manufacturers dedicate field resources to work solely with Grainger field representatives.

Equalis Members can access Grainger's in-house Technical Product Support (TPS) department by calling **1-800-GRAINGER (1-800-472-4643)**. This team of **150 TPS experts** can answer product-related questions and resolve any complex technical issues.

- Ready to help Equalis Members pick products, manage installation, troubleshoot, and access suppliers.
- Readily available during standard business hours.
- TPS experts are chosen based on in-depth professional field experience. Grainger's TPS experts are always sharpening their knowledge of products, tools, and industry trends while maintaining extensive technical documentation.

24/7 Customer Support

Toll Free Support: Customer support is available at **800-472-4643, (800-GRAINGER)** provided by US based Customer Service Associates (CSAs). Grainger contact centers are available **24 hours a day, 7 days a week** to assist our customers through phone, chat and email.

- Grainger aims to be available when needed by answering 80% of calls within 30 seconds.
- Grainger's Customer Support team is highly trained and experienced and includes Technical Product Specialists who focus on each product category.

Equalis Members can depend on the Customer Support team to provide:

- Help placing orders
- Information on order status (including backorders) and deliveries
- Price information based on Equalis Members' contract
- Detailed product information (including availability, product search, and technical support)
- Help with emergency orders
- Product quotes
- Assistance around any other Equalis Members concerns

State-of-the-Art Support Software: Grainger's customer service and sales organization use premier systems to collaborate and serve customer needs in real time. Grainger is proud to partner with **Salesforce** for customer relationship management and **SAP** for order management.

Grainger's integrated solutions can help Equalis Members to:

- Manage customer information, orders, pricing, and contracts.
- Track and share member information and service interactions.

4.1.5. *Differentiators.* Describe what differentiates your company's products and services from your competitors.

Resonating throughout our response is that Grainger has the broadest and deepest MRO product inventory and service offering available in the US. Product is ready for shipment across every category. An advanced supply chain infrastructure is driven by the customer needing product now. Grainger's financial strength enables investment in ecommerce and digital platforms that yield advanced product search, meaningful assistance and comparison and a most efficient and accountable ordering process.

Grainger employees, our most important investment, have expertise and commitment to assist with product selection and to assure availability and timely delivery. Our technology experts design and innovate our information systems and digital platforms. In distributing the most comprehensive line of MRO products and service categories and anything MRO related, our offering is of substantial scale and breadth. We compete emphatically with specialized distributors and manufacturers across all MRO market segments. We continually evaluate products and services to remain relevant to our customers. We add products and suppliers daily; every 18 months we add more than 30,000 products. Reflecting meaningful differentiation from competitors, Grainger's capabilities include:

A strategic US distribution network of 250 branches and 14 distribution centers supporting Equalis Members. An extensive product line encompasses more than 1.6 million products and over \$1 billion of on-hand inventory. 95% of customers receive next day product delivery; 99.6% of in-stock orders are shipped within 24 hours.

Pervading Grainger's work is a vibrant commitment to small business through its Distributor Alliance program, which encompasses our authorized resellers and Diverse Product and Service Suppliers to serve Member small and/or diversity procurement commitments.

Distinct from its competitors are Grainger's more than 560 Government Sales Team members who are dedicated solely to the public sector. Understanding the values and processes associated with public procurement, Grainger's government sellers are located throughout all 50 states and provide full geographic coverage of all state and local

governments, schools and higher education institutions. They are specifically trained to manage government contracts and customers. All Grainger's sellers participate in public sector training and certify annually their Government Compliance Training and commitment to Grainger's Code of Ethics. Training includes procurement integrity and industry specific training to understand the challenges of the public sector.

Supporting the Government Sector is the US based trained and experienced Customer Service Associates (CSAs) who are available 24/7 via email, toll free number or chat. The team has the resources needed to answer questions. Additionally, Grainger's CSAs within the branch network are available 8:00 am to 5:00 pm Monday through Friday in each time zone. Grainger's US contact center network handles about 73,000 customer interactions per day including approximately 20,000 orders via phone, e-mail and chat.

For Emergency Preparedness needs, Grainger has an extensive product offering for products and solutions. Grainger remains a dedicated partner who will deliver the quickest response and reliability in emergencies. Our prices and services remain as provided in the contract.

Our investment in Grainger Team members and our IT and supply chain systems generate value added opportunities to our product and service offerings. Grainger's Equalis offer encompasses competitive pricing and a unique incentive program that will drive cost savings measures across a Member's entire organization. The offer presented will expand opportunities for new members. It will enable seamless agreement implementation. Grainger's product availability, expertise and experience, technical proficiency, financial strength, and track record distinguishes Grainger. It represents our commitment and accountability to Equalis and every Member.

We at Grainger are proud to work at a company built on an inclusive environment with a foundation of customer service, teamwork; trying new things, respecting and supporting each other and celebrating achievements together. Grainger team members bring distinction and merit critical to customer choice. This foundation is reiterated by Grainger leadership every day. Grainger's work to serve Equalis members presents meaningful opportunity to reiterate fidelity to these standards.

4.2. Additional Features & Offerings

4.2.1.

Value Add. Describe any other capabilities relating to the maintenance, repair, and operations supplies or services industry that would improve or enhance the Program that are provided free of cost to Equalis Group Members. Your response may include, but is not limited to, ecommerce capabilities, marketing capabilities, green initiatives, and technological advancements.

Grainger presents the following value-added services:

- Distributor Alliance Program
- Safety and Health Services & Solutions
 - ✓ Managed Footwear Program
 - ✓ Prescription Eyewear Program
- Field Safety Specialist and Metalworking Assessments
- Energy Services
- Facility Services
- Lighting Services
- Sustainability Services

♦♦Please see attachment Grainger's Value-Add and Fee-Based Services♦♦

Distributor Alliance Program

Grainger recognizes the importance of supplier diversity and is committed to supporting the growth of diverse businesses and giving these companies partnership opportunities. We have more than 20 years of successful experience offering diverse companies' opportunities through two core programs:

- Tier 2: Grainger's Supplier Diversity Program

- Tier 1: Distributor Alliance Program

Grainger's Tier 1 Distributor Alliance Program

Program Overview: Grainger's Distributor Alliance (DA) program has a network of authorized diverse business enterprises that include historically underutilized business zones (HUBs) plus minority-, woman-, and veteran-owned businesses. More than 80 DBEs resell Grainger's full product offering to state, federal, and corporate customers. The DA program has helped customers achieve their small, diverse business goals since 2006.

DBE Responsibilities: DBE resellers are responsible for the procurement process, sales calls, order processing, and invoicing. The DBE will engage with customers, represent itself in the marketplace, and be the first point of contact for customer service. DBEs often provide other services such as installation, kitting, product assembly, stenciling/engraving/labeling, delivery, and barcoding.

Customer Program Development: If Equalis Members needs a DBE solution, Grainger will partner to understand the needs and build a diversity program with a DBE reseller. Grainger will help develop a strategy, plus implement and execute a solution that will contribute to meeting Equalis Members' diversity goals. Grainger's diverse solutions can range from simple prime and subcontract engagements to more committed and complex mentor protégé engagements. Grainger has a mentor protégé engagement today with City Universities of New York and other government agencies.

Grainger's dedicated team leads the DA program and will help manage the DBE partners to ensure contract execution, compliance, and performance management.

Safety and Health Services & Solutions

Grainger's Environmental, Health, and Safety Services (EHS) can help Equalis Members prevent workplace injuries, illnesses, and fatalities — plus avoid suffering and financial hardship for workers and their families and employers.

Through its network of qualified, insured and licensed service providers, Grainger offers Equalis Members over **400 comprehensive solutions** to help meet safety goals. Grainger can help Equalis Members:

- Maintain EHS compliance
- Increase worker productivity
- Drive energy and facility efficiency
- Reduce and conserve operating costs
- Replacement eyewear lenses
- Safety glasses

Assessments: The Grainger team will review areas to identify potential hazards or high risks that might need remediation. Services include but not limited to:

- Arc flash safety/electrical safety
- Chemical reporting and management
- Combustible dust surveys
- Confined space
- Crane, hoist, rigging, and sling inspections
- Ergonomics
- Food safety
- Mock OSHA audits
- PPE
- Silica dust exposure compliance

Training: Grainger offers a variety of EHS courses to give Equalis Members the knowledge to do their jobs safely. Training is available online or through an on-site instructor. Services include but not limited to:

- Aerial and forklift
- Bloodborne pathogens
- Confined space entry and rescue
- Electrical safety
- Ergonomics awareness
- Fall protection

- First aid/CPR/AED
- Lockout/tagout
- Machine guarding
- Online training
- OSHA 10/30

Audits and Testing: Grainger's audits and tests can identify and monitor hazardous work areas. The results can help Equalis Members implement controls and safe work practices.

Services include but not limited to:

- Environmental compliance audits
- Indoor air quality
- Noise surveys
- Online occupational health: audio, pulmonary, and respiratory
- Pulmonary function testing
- Regulatory compliance audits

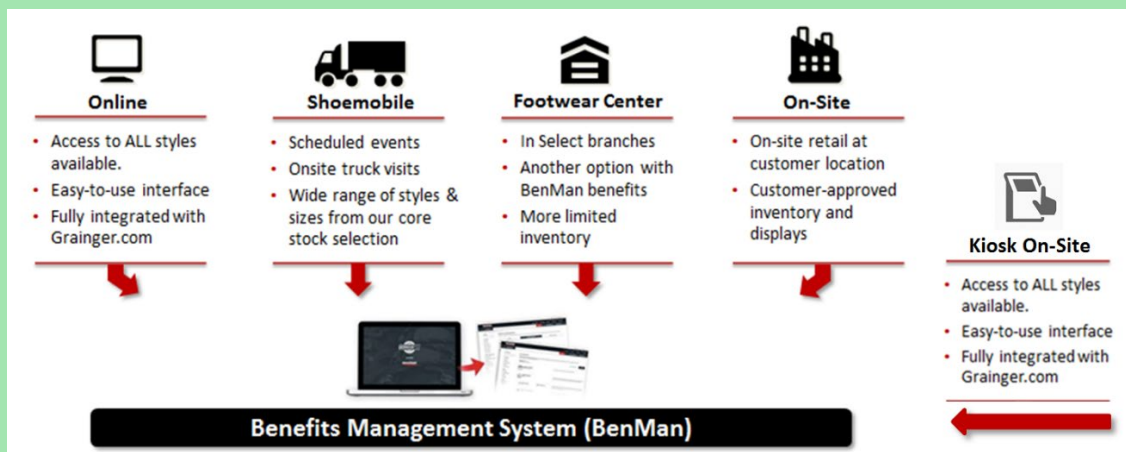
Program and Procedure Development: Effective programs and procedures help ensure compliance and create a safe workplace for Equalis Members' employees. These programs are developed so Equalis Members' business operations can be conducted safely. Please see additional information in attachment **Grainger Services**.

Digital EHS Online Services: Time-saving tools that make it easier than ever to manage, track and maintain critical workplace activity and information right from your computer. A suite of online subscription tools, Grainger's Online Services help you improve environmental, health, and safety (EH&S) tracking and management while increasing productivity. Whether managing a single location or an entire enterprise, our online solutions can help you:

- Save time and money while creating a safer workplace
- Reduce injuries, illnesses and exposure to fines
- Increase productivity with automated EH&S tracking tools managed right from your PC or mobile device
- Ensure compliance and drive standardization

Grainger Managed Footwear Program

Grainger's managed footwear program is ready to help Equalis Members avoid foot injuries from workplace hazards such as heavy objects, slippery surfaces, and exposure to live electrical currents.



Grainger offers four solutions to help Equalis Members manage its safety shoe program more easily — and save time and money.

1. **Online Safety Footwear Program:** Through Grainger's online program, Equalis Members can:
 - Set up footwear selection guidelines for employees based on their work environments.
 - Track employee purchases.
 - Manage eligibility.

- Administer payroll deductions.
- Apply company contribution subsidies.
- Generate customized reports.

2. **Grainger Safety Footwear Centers:** Select Grainger branches in the U.S. stock the most popular safety shoe styles and brands. Ask Equalis Grainger account manager for the nearest location. Grainger's friendly and knowledgeable customer service staff will help ensure a proper fit in the approved styles.
3. **On-site Safety Footwear Centers:** This convenient option is available for businesses with large employee bases that meet targeted purchase volumes. If Equalis Members qualifies, its employees could try on their next pair of shoes at an in-house Safety Footwear Center — with company-approved inventory and displays. Grainger's customer service staff will measure for the proper fit to help avoid foot hazards.

4. **Grainger Footwear Shoemobiles:** Grainger's Shoemobile trucks look just like a shoe store inside. They can display dozens of footwear styles and stock the safety shoes picked for the work Equalis Members does. Trained footwear professionals measure for the proper fit and comfort. Ask about Grainger's continually expanding service territory for the fleet of trucks that come right to Equalis Members' site.



customer for no additional costs for \$15K in Annual Footwear sales. Grainger will provide Step by Step Ordering and Return Instructions for our employee self-serve solution. All transactions via the Kiosk can be exported by ADMIN on our BENMAN program on Grainger.com.

5. **Kiosk Solution:** The Point-of-Use Kiosk is a 24/7 stand with enclosed table to order Grainger Safety Footwear. It is provided to

Grainger Prescription Eyewear Program

Grainger's eyewear solutions help protect Member employees when they are exposed to hazards. Grainger's solutions support worker safety on every shift at every location — and save Equalis Members time and money.

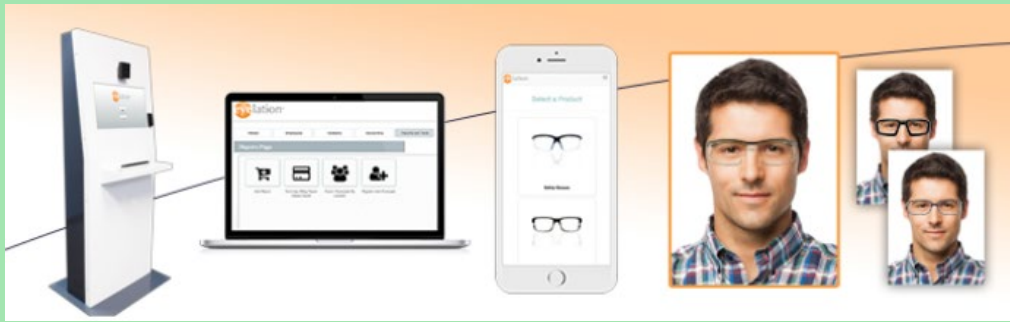
The eyewear packages, options, and pricing vary by program. Services are provided by third-party providers and may be subject to a fee and agreement.

Eyelation® Prescription Safety Eyewear Program

This simple, 3-step online solution is administered by a technology-based company with a robust Benefits Management System (BMS). A convenient and cost-effective way to provide prescription safety eyewear for Equalis workforce, this program is available 24/7 and improves compliance.

Eyelation provides the following features and benefits:

- Order online or through an onsite kiosk
- Control access to approved frames, lenses, and options
- Review cost reports, eligibility, and order details
- Integrate with Grainger's BMS



Hoya Prescription Eyewear Programs

This traditional eyewear approach offers two programs through local authorized eyecare providers. Each program includes package pricing, provides a range of safety solutions, and simplifies ordering and invoicing.

1. **Hoya SRx Made Easy:** Through this standard program, employees work independently with local eyecare providers.

Hoya SRx Made Easy provides the following features and benefits:

- Basic and enhanced packages with minimal upgrade options
- A wide network of eyecare providers
- Employee self service
- No minimum number of participants or program size

2. **Hoya See Clearly Work Safely:** This customized program provides three options to provide glasses for participating employees within Equalis Members's safety budget, environment, and workforce needs. This program is designed for customers with 100 or more participants.

Hoya See Clearly Work Safely provides the following benefits:

- A wider variety of packages
- Broader upgrade options (including company and employee-paid)

In addition to its prescription eyewear programs, Grainger offers protective eyewear safety products that include:

- Eye-protection accessories
- Laser eyewear and goggles
- Prescription insert holders
- Protective goggles
- Reader eyewear
- Replacement eyewear lenses
- Safety glasses

Field Safety Specialist and Metalworking Assessments

Field Safety Specialists

Grainger's 50+ safety specialists are strategically positioned across the country bringing safety and health knowledge to Equalis Members' location. They have the expertise to help solve Equalis Members' Environmental, Health and Safety challenges and provide onsite safety assessments, cost-saving proposals, and program standardization strategies. They can align the right supplier representatives and additional technical resources to help meet Equalis Members' selection of appropriate product use and subsequent training.

Metalworking Specialists

Grainger's team of metalworking experts can provide and apply the latest technology to boost productivity. Grainger's metalworking team has documented over **\$6 million in savings** across 500+ metalworking applications with our customers.

Energy Services

The Grainger Energy Services team can identify and implement a wide range of efficient solutions for Equalis Members through its network of qualified, insured and licensed service providers. Our service providers help facilitate the installation of energy-saving and water conservation measures. We can help Members secure applicable incentives and rebates for energy and water-saving projects. Grainger also offers Environmentally Preferred Product (EPP) training in collaboration with our key supplier partners.

Potential Benefits:

- Improved use of energy and water
- Reduced operating costs
- Upgraded infrastructure
- Warranties on new equipment
- Lowered operational risk
- Avoided maintenance expenses
- Reduced facility carbon footprint

Comprehensive Services*:

- Multiple energy- and water-saving solutions
- Audit and financial analysis
- Material, contractor and project management
- Installation by qualified, insured and licensed service partners
- Disposal and recycling

**Provided by third party service providers and subject to Member eligibility.*



Facility Services

Grainger has a range of services to provide Equalis Members with assistance as to roofing, skill training, electrical and protecting interior services. A summary of our 3rd party relationships follows:



- **Electrical Services:** Electrical system consultations are offered to determine the degree of present arc flash hazards and apply equipment labeling. Studies include maintenance of electrical distribution system components and mitigation solutions to lower arc flash energy or exposure.

- **Technician Skill Training Services:** Members receive safety and industrial skills development to apply on the job immediately. Training can be scheduled on-site at Member locations or off-site at scheduled locations across North America. Topics such as compliance, electrical, HVAC, and mechanical are addressed.

- **Roofing Services:** Roofing and building maintenance solutions designed to prolong structural life, track roof assets, save energy and improve safety.

- ✓ Patch & Repair Services
- ✓ Roofing Restoration
- ✓ Rooftop Safety Installation
- ✓ Roof Cleaning
- ✓ Inspection Services
- ✓ Preventative Maintenance Contracts
- ✓ Air Barrier Audits

- **Indoor Coating Services:** A comprehensive portfolio of solutions is offered for preparing, priming, coating and protecting interior surfaces.

Lighting Services



The Grainger Lighting Solutions team serves as your resource to help implement a comprehensive lighting retrofit of your facility through its network of qualified, insured and licensed service partners. Working closely with Equalis Members, our service partners will help identify and facilitate the installation of energy-saving lighting measures that will help benefit the bottom line with minimal disruption to the Member. Our service partners will also help you secure applicable incentives and rebates for your energy-saving project.

With a focus on energy costs, environmental considerations, safety & security issues, and the need for quality lighting in the workplace, lighting retrofit projects offer significant energy & MRO savings while improving facility infrastructure.

Through our qualified network of ESCO partners, the Lighting Solutions group offers:

- Site assessments
- Audits/Design
- Turnkey proposal
- Professional project management/installation
- Utility rebate administration

Sustainability Services

In addition to product offerings, Grainger will provide significant added value at no cost to help Equalis Members operate in a more sustainable way:

- **Environmentally Preferable Purchase (EPP) Reporting** – Accountability and compliance can be significant barriers to implementing a sustainability initiative. Grainger can review Equalis Members' past purchases to help determine which products purchased can be categorized as environmentally preferable. Using historical data, Grainger assists Equalis Members set and measure progress toward EPP goals.
- **Environmentally Preferable Cross-Referencing Services** – Grainger will cross-reference historical purchases, plus purchases from other vendors, to locate more environmentally preferable product alternatives at no additional cost to Equalis Members.
- **Supplier Assessments** – Many of Grainger's supplier partners offer more than 20 assessment services at no additional cost — from power-quality audits and environmentally preferable cleaning training to waste reduction services. These services will be coordinated locally through Grainger account managers.

4.2.2.

Other Capabilities. Identify and describe any other products and/or services your company offers outside the primary scope of this RFP that can be made available to Equalis Group Members. Include proposed pricing for any additional products or services your company offers in **Attachment B – Cost Proposal** in accordance with the directions provide in **RFP Section 2.3 - Cost Proposal & Acceptable Pricing Formats**.

Grainger presents Other Capabilities that make us an unequalled company to partner with for this contract:

- Pandemic Solutions
- Emergency Response Services
- Grainger Specialized Government Solutions
- Work Order Integration - Dude Solutions' Click2Buy
- Stop the Bleed – Solutions that Help Save Lives
- Training
- Career & Technical Education Solutions

Pandemic Solutions & Services

In addition to Pandemic Products, Grainger offers the following pandemic services:

Infection Control Policies and Protocols

EH&S consultants are available to provide guidance for the development of infection control policies and procedures, which minimize potential for employee exposure to COVID-19 and other pathogens. Administrative control policies for social distancing in work environments are also addressed.

Workplace Barrier Protection Process & Systems Installations

Third party service providers are available to help establish communication protocols, design and implement controls and maximize engineering and administrative controls that do not rely on personal protective equipment (PPE). Such controls include:

- Barriers
- Air flow
- Communication & training
- Alternate work practices
- Visitor interface protocols
- Screening programs

Workplace Distancing Layout

Grainger Consulting Team is available to help redesign existing or layout new workspaces for process efficiency and employee and public safety. Members want to encourage social distancing as they continue to help protect the public and employees from transmission of infectious disease.

This may require special attention during unplanned shutdowns, so they are prepared for reopening. Areas where special care in proper process flow and safety layouts may be needed include workstations, production areas, individual work cells, product assembly, office areas, receiving, shipping, service counters, retail, storerooms, entry ways and cafeterias.

Business Recovery Risk Assessments

Safety and health professionals are available to perform on-site hazard assessments to determine the specific requirements for at risk employees.



Medical Screening for Workplace Entry

Onsite occupational health and safety professionals are available to identify incoming students, employees and others who may be potential COVID-19 carriers. Utilizing non-contact thermometers and proper PPE to help protect the public and the work workforce, screenings include elevated body temperature and medical questionnaire implementing an institution's policies.

UV and Disinfectant Lighting Solutions

Lighting experts are available to provide solutions for UV disinfectant lighting. These solutions can be used to disinfect against a range of viruses, bacteria, mold and fungi. They are available in wall and ceiling mounted units as well as portable versions.

HVAC Solutions

HVAC Experts are available to provide UV-C Lighting for HVAC units and Air Handlers. This solution disinfects air and surfaces as air circulates reducing molds and pathogens found within the HVAC system. Full turnkey filter change outs, preventative maintenance, and retrofit units (RTU's) for energy efficiency are available.



Productivity / Optimization



Business Continuity Planning



On-going Training




Emergency Response Services

Grainger is committed to serving our local communities in their greatest time of need. This begins with a pro-active approach that develops preparedness-focused relationships with federal, state and local first-responders and other

relevant government agencies. Pro-active relationships are the key in providing support to help our communities prepare, respond and recover from emergency situations.

Each year our supply chain and inventory management teams collaborate to develop forecasts and inventory strategies to fulfill the abnormal spikes in demand that often occur in large scale disasters such as hurricanes, floods, wildfires, winter storms and other emergency events. An incremental inventory investment is made and critical supplies and equipment are strategically pre-positioned within our network of more than 250 Branches and 14 Regional Distribution Centers. This approach enables planning discussions to align customer needs with our emergency inventory plans well before disaster strikes and expedite the delivery of critical supplies to affected areas. Additionally, the products and solutions offered reflect Grainger's all-hazards philosophy as well as guidance from authorities such as FEMA, the CDC, DHH, the American Red Cross, as well as years of company experience supported by historical customer demand data.

Threats

| | | |
|---|---|---|
|  Hurricanes |  Active Shooter |  Power Outages |
|  Floods |  Tornadoes |  Mosquito-borne Diseases |
|  Communicable Diseases |  Earthquakes |  Hazardous Materials |
|  Wildfires & Droughts |  Extreme Heat | |
|  Winter Storm |  Fire Protection | |

Grainger's online emergency preparedness landing page contains resources and information on products and services that directly address many emergency preparedness requirements.

In the event disaster strikes or is deemed imminent, Grainger's Corporate Response Team collaborates to identify priorities, assess our inventory position, provide large order support & expedite customer deliveries. Our emergency planning efforts and state of the art order fulfillment systems allow us to provide customers with real-time product availability information that can be counted on.

Ultimately, Grainger's greatest resource is our people, especially those directly supporting the affected communities. During a large-scale disaster Grainger's highly trained and experienced employees provide direct support to State, City or County emergency operations centers (EOCs). These employees often work directly with local first responders and responding agencies to quickly address field information requests related to product selection, availability, quotes, delivery and invoicing. These team members also assist in executing Grainger's prioritization protocol to provide inventory to those agencies directly involved with response efforts.

Grainger offers the following during emergency situations:

- Branch Operational Hours Extended up to 24 Hours a day as required
- Experienced Customer Service Agents available 24-7 at 1-800-CALL-WWG
- Emergency preparedness catalogs, capabilities guides, and emergency checklists
- Internet landing page on grainger.com dedicated to threat-specific solutions, products and resources.
- In any emergency, large or small, our pricing and services remain as provided in the contract.

Grainger Specialized Government Solutions

From state agencies, education, and local municipalities, Grainger has built key solutions that go beyond MRO including: Department of Transportation, Corrections, Law Enforcement, Firefighting, Emergency Medical Services, and Waterworks.



Department of Transportation and Public Works: Grainger has products and solutions compliant with the Federal Motor Carrier Safety Regulations and offers HAZMAT online courses to DOT shipping labels and handbooks. Our solutions increase productivity, reduce maintenance backlog and increase the lifespan of your equipment and other assets.

Corrections: Grainger offers food trays, uniforms and mattresses, metal detectors, security cameras, energy-efficient solutions, and personal protective equipment.

Law Enforcement: Grainger offers thousands of items including tactical vests, cutaway armor, carrier vests and specific body part protective armor.

Firefighting: Grainger offers firefighter gear, search and rescue equipment, and fire station essentials that meet or exceed industry standards. Grainger's After-Hours Emergency Services help emergency service agencies get exactly what they need.

Emergency Medical Services: Grainger offers an extensive selection of EMS and rescue supplies designed to help comfort, manage and transfer patients during emergency situations, and bariatric boards, stretcher and first aid cots, immobilizers, trauma kits as well as CPR masks to help you safely and efficiently transport patients.



Waterworks: Grainger offers pumps, testing equipment and meters to blowers, lab supplies and personal protective equipment, we've got top-quality items to help you maintain your critical waterworks infrastructure. Solutions Include Security, Inventory Management, Energy Efficiency, and Emergency Preparedness.

Work Order Integration



Grainger can integrate workorder/computerized maintenance management systems to the Member's procurement system. Grainger partners with **Dude Solutions' Click2Buy** to integrate a workorder process directly to Grainger's complete offering. Click2Buy is cloud-based and helps Members automate the

purchase process, from request to procurement to payment to closeout. Click2Buy works across multiple departments without disrupting respective workflows.

Stop the Bleed – Solutions that Help Save Lives

Uncontrolled bleeding from severe injuries can be fatal within minutes. Equip the people in your facilities with the products and resources to respond to these life-threatening situations and help **stop the bleed**. Count on Grainger for a broad range of bleeding control kits from the leading brand names to help prepare for the unexpected.

Get the essential medical supplies to take immediate action in the crucial first minutes after a casualty. Grainger carries the bleeding control kits for use by professional first responders and bystanders alike to help provide essential care in a life-threatening emergency.

- Choose from dozens of standard kits or customize a kit with your logo
- Available in multiple levels: Basic, Intermediate or Advanced
- Options include vacuum-sealed, nylon pouches or wall stations

Training

Product Training: Grainger helps Equalis Members prevent injuries, maintain compliance and reduce risk within their operations. A variety of safety and health solution training is addressed below. For a comprehensive list of free and fee-based services please refer to the Safety and Health Solutions Guide.

- **Electrical/NFPA 70E Arc Flash Safety Training** - Topics include arc flash overview, approach boundaries, qualified/unqualified employee requirements, arc flash protection boundaries, job briefings, personal protective equipment (PPE), care and maintenance of flame-resistant clothing, safety signs and tags and energized work permits.
- **Lockout Tagout Training** - Lockout/tagout (LOTO) training for personnel required to service, maintain or work around energized equipment. Topics include an overview of OSHA's Control of Hazardous Energy rules; an overview of controls and procedures required to prevent the unexpected energization, start-up or release of stored energy and the dangers involved; methods to recognize different types of energy hazards and energy control procedures and appropriate control procedures.

- **Machine Guard Safety Training** - Machine guard safety training courses provide machine operators with life-saving instruction on how to control the machines they operate and how to reduce risk of injury. Proper operation of industrial machinery, including the machine guard, can improve productivity and safety.
- **Safety Eyewear, Hand Protection & Glove & Head Protection Assessment** – Designed to assist Members with workplace eye, hand and head protection assessments.
- **Slips & Trips** - Provides a pedestrian safety site assessment that takes in facility observations and provides products solutions

Technical Training: Grainger offers training seminars led by an industry experienced, certified team of third-party instructors. Participants receive hands-on safety and industrial skills development that can be applied on the job immediately. Training can be scheduled on-site at customer locations or off-site at scheduled locations across the U.S. Examples include:

- Proto Tools Hand Tool Safety Seminar
- Dewalt Power Tools
- Fire-Resistant Workwear Training
- Fall Protection Training
- Hearing Protection & Conservation Training
- Gas Detection Equipment Training
- Arc Flash Awareness Seminar
- Fuses & Power Distribution Training
- Climbing Pro Ladder Training
- Spill Containment Training

Safety Training: Grainger works with well-recognized safety suppliers for facility and product surveys, along with fee-based OSHA certification and training programs to help you stay compliant. Our strong relationships within the safety industry enable us to offer hassle-free services, including turn-key product and program solutions from our safety suppliers as well as third party service providers.

FREE On the Job Webinar Series: Grainger.com provides current industry information and helpful updates. Grainger will provide trends and updates on its “On the Job Webinar Series” covering areas such as:

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

Environmentally Preferred Product Training

| Key Supplier | Description |
|---|---|
| Diversey / Greenguard Certification | Minimize contaminants introduced to the air during cleaning and improve indoor air quality. Greenguard certification identifies the proper products, tools and processes to clean the facility. Diversey supports certification efforts via on-site setup, training and system auditing. |
| Diversey / Floor Care Productivity Survey | Improve productivity, appearance and reduce waste in your floor care processes. Diversey provides support via a facility survey identifying potential improvements to your current floor care program. Identifies opportunities to realize potential cost savings in overall labor costs and/or chemical usage costs. |
| Georgia-Pacific / Dispenser Refurbish, Recycle, Reuse (RRR) Program | Providing an end of life solution for old paper towel and toilet paper dispensers. GP team removes old dispensers and reuses components. Old dispenser components are utilized in manufacturing new products, such as computers and automobile parts. Dispensers are picked up at the end user's location. |
| Georgia-Pacific / LEED® Calculator & LEED® Reporting | For customers interested in earning LEED® credits under the LEED® v4 Operations & Maintenance (O+M) Rating System. Georgia Pacific can generate a report for you illustrating & calculating how GP Pro products can |

| | |
|---|--|
| | support your efforts. Reports can be downloaded and provided to your LEED auditor. |
| Georgia-Pacific /Battery Recycling Program | Reduce the number of batteries in landfills. Through this service boxes are provided to enable the collection of used batteries in the area of your choice. Boxes are picked up at the facility and new boxes are provided for continued collection and environmental disposition. |
| GOJO / Dispenser Disposal & Recovery | GOJO will coordinate the removal, transport, and sustainable disposal of old hand soap and sanitizer dispenser materials when completing a GOJO managed dispenser installation project. This is a great option for large installation/conversion projects and a great way to support sustainability initiatives within your facilities. |
| GOJO / Pre-Installation Site Survey | For large hand soap & sanitizer installation or conversion projects (> 250 dispensers), GOJO will conduct a site walk-thru with material planning and project management. This service addresses challenges related to storage space |
| Rubbermaid / Innovative Solutions Mobile Showroom | Discover more ways to reduce cost, improve productivity and enhance employee safety. Rubbermaid's mobile showcase vehicle provides an interactive experience and hands-on demonstrations featuring innovative solutions. |
| Rubbermaid / Recycling Solutions | Explore solutions designed to support your recycling efforts. Rubbermaid's mobile showcase vehicle presents innovative solutions to help you achieve your recycling goals |
| Rubbermaid / Waste Audits | For those interested in waste-reduction or recycling initiatives Rubbermaid offers on-site audits designed to help educate users on the impact of implementing a recycling system. This service provides an evaluation of current waste stream habits and processes and diversion practices and provides recommendations and assistance in designing a recycling system. |
| Rubbermaid / Site Assessments & ROI Calculators | Rubbermaid representatives share their expertise and recommendations through an on-site assessment with ROI calculators to support recycling, hand hygiene and many other common facility initiatives. |
| Rubbermaid / LEED® Certification Support | For customers pursuing LEED Certification Rubbermaid offers a site visit providing guidance, product recommendation and support with LEED implementation initiatives. |
| New Pig Spill Preparedness Program | Spill Risk Assessment to fully understand your risks and get you into compliance with EPA & OSHA regulations |
| Grainger Safety Assessment | Grainger Field Safety Specialist provides comprehensive audit to determine safety issues and provide solutions to address violations. |
| Career & Technical Education Solutions  <p>Keeping the classroom equipped is no easy task. Grainger carries a variety of supplies and equipment to help create a real-world learning environment for students and staff. From skilled trades like metalworking and manufacturing to public safety and healthcare, we support a variety of career clusters, helping to create safe, real-world learning opportunities.</p> | |

4.3. Warranty

| | |
|--------|--|
| 4.3.1. | <p>Warranty. Provide a copy of the manufacturer's warranty. If required, please attach the warranty as an attachment as instructed in <u>Section 2.3</u> of this document. Describe notable features and/or characteristics of the warranty that a public sector customer would find interesting or appealing. How long is the warranty? Please indicate, and describe if applicable, if there are any optional extended warranty coverage available to Members. How does your warranty coverage compare to that of your competitors? Pricing related to the any extended warranty options must be included in <u>Attachment B – Cost Proposal</u>.</p> |
|--------|--|

Please note that Grainger is a distributor and not a manufacturer. With over 1.6 million products in the Grainger catalog, we are not in a position to provide the warranty for each. Upon Member request, Grainger will provide a manufacturer's warranty.

Grainger's warranty to commercial and public agency customers is presented in section 2.3. A copy is included for convenience per request.

Grainger's Extended Protection Plan Coverage

The Extended Protection Plan coverage offers our customers an additional two to three years of coverage against product failure (either from defects in materials or from normal wear and tear) after the expiration of the standard Grainger Limited Warranty. Over 210,000 Grainger products qualify for coverage.

Customers may choose from two plans based on product price. The price of the Extended Protection Plan coverage is based on the Grainger web price of the eligible item you are purchasing.

After you order your Extended Protection Plan coverage, you will receive your coverage documents by mail in about 30 days. There is no registration required. If your covered product fails, simply call 1-800-811-1747. Have your Grainger account number ready and our customer service representative will arrange for service or replacement of your covered product.

Pricing for extended protection is priced per item at the time of purchase.

| | |
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| 4.3.2. | Claims. Describe your warranty claims process. |
|---------------|---|

INSTRUCTIONS FOR WARRANTY RETURNS

If the product was purchased on Grainger.com®. [Email us](#) providing the purchase date, the original invoice number, the item number and a description of the defect. You may also call Grainger Customer Care at 1-888-361-8649 or visit your [local Grainger branch](#). You will need to provide the purchase date, the original invoice number, the item number and a description of the defect. For terms and conditions relating to Product Returns and Warranties, go to [Grainger Terms of Sale](#)

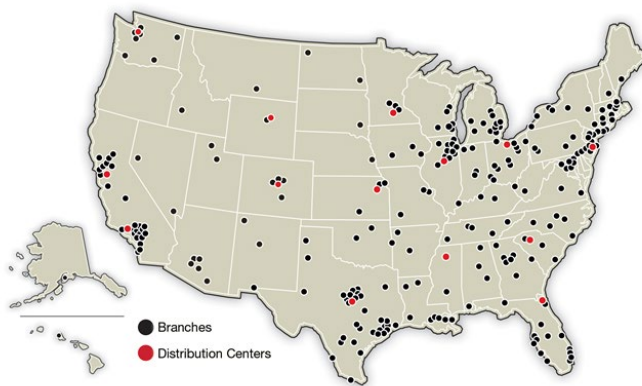
Section 5. Business Operations

5.1. Logistics

5.1.1. Distribution Capabilities. Describe how supplier proposes to distribute the products/service nationwide.

Grainger serves its more than 1 million US customers through distribution centers and branches, eCommerce platforms, contact centers, sales and technical service representatives. Our customers reflect a wide collection of government agencies and industries across manufacturing, healthcare, transportation, commercial and contractor sectors. Investment in team member training and systems is driven by assisting the customer, including a focus that products are available and delivered when needed. Grainger branches and DCs tailor inventory to customer location demands to ensure products are available for immediate pick-up, same-day shipment, or same-day delivery. Grainger has over 25,000 employees dedicated to assisting the customer.

Grainger's U.S. Distribution Center Network



Grainger's 250 in-market branches and 14 DCs in the U.S. maintain more than \$1.6 billion in inventory that can be shipped immediately. Grainger can provide 98% of the U.S. market with next-day service.

Grainger's US supply chain provides the following capabilities:

- Grainger's U.S. distribution network stocks more than \$1.3 billion in inventory covering 26 MRO categories immediately available to ship to customers.
- Grainger **ships 98% of in-stock items the same day** when an order is received by 5 p.m. at the shipping facility.
- 97% of customers receive next day service.
- Grainger's **network of over 250 full-service branches** give Equalis Members access to walk-in, will-call, and same-day delivery options along with product expertise and convenient locations for customers on the move.
- The majority of Grainger's **orders ship complete**, to provide Equalis Members one shipment with fewer purchase orders, shipments, and invoices to manage.
- State-of-the-art automation and processes efficiently and accurately service orders and replenish branch inventories.
- Based on weekly quality audits, order accuracy in the DCs exceeds 99%.
- Branches offer **24/7 emergency access to product** outside business hours.

5.1.2. Distribution Centers. Provide the number, size and location of Supplier's distribution facilities, warehouses and retail network as applicable.

Each of Grainger's 250 branches carries on average \$1 million in inventory within 23,000 square feet and is served by 13 employees. Our distribution centers (DCs) average more than 300,000 square feet in size on average, and stock more than 100,000 of Grainger's fastest selling items. Automated equipment and processes in the DCs ship products to customers and replenish branch inventories. The DCs ship orders, including Internet orders, directly to customers for all branches located in its service areas.

| Grainger US Distribution Centers | | | | |
|----------------------------------|---------|----------------|-----------------|-----------|
| Location | SKUs | Square Footage | Inventory Value | Employees |
| Southaven, MS | 111,000 | 230,000 | \$35 million | 140 |
| Cleveland, OH | 134,000 | 395,000 | \$60 million | 280 |
| Dallas, TX | 150,000 | 560,000 | \$90 million | 350 |
| Greenville, SC | 305,000 | 1.1 million | \$135 million | 500 |
| Jacksonville, FL | 119,000 | 230,000 | \$35 million | 160 |
| Kansas City, MO | 131,000 | 1.3 million | \$60 million | 250 |
| Minooka, IL | 464,000 | 1.1 million | \$195 million | 670 |
| Mira Loma, CA | 133,000 | 345,000 | \$60 million | 200 |
| Patterson, CA | 269,000 | 820,000 | \$120 million | 380 |
| Bordentown, NJ | 283,000 | 1.3 million | \$150 million | 620 |
| Denver, CO | 73,000 | 45,000 | \$9 million | 30 |
| Plymouth, MN | 89,000 | 35,000 | \$10 million | 30 |
| Seattle, WA | 88,000 | 56,000 | \$13 million | 50 |
| Louisville, KY | 150,000 | 1.5 million | \$77 million | 150 |

| | |
|---|--|
| 5.1.3. | Stocking Requirements. Describe your ability to bring new or custom products into stock. Your response should include, if applicable, your requirements for stocking standard and specialty products. |
| Grainger has the ability to bring standard and/or customer items into stock for specific customers as long as there is adequate space within our local facilities and the customer is willing to sign a Special Inventory Stocking Agreement. Within this agreement, Grainger agrees to have specific products readily available at a local facility and the customer must commit to purchasing a certain agreed upon volume within 1 year. | |

| | |
|--|--|
| 5.1.4. | Supply Chain. Identify all other companies that will be involved in processing, handling, or shipping the products or services to the Equalis Group Member. |
| Grainger acquires product and maintains inventory. All processing, handling and packaging of products is handled by Grainger, except items shipped directly from the manufacturer. Grainger uses common carriers such as UPS and Fed Ex, and local delivery sources, to deliver product to the customer. | |

| | |
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| 5.1.5. | Fill Rates. Provide fill rates and average delivery timeframes met by specific distribution centers. |
| Grainger's average Fill Rate is 98%. | |

| | |
|---|---|
| 5.1.6. | On Time Delivery Rate. Provide your average on-time delivery rate. |
| Grainger ships 98% of in-stock items the same day within the continental U.S. when an order is received by 5 p.m. Performance to stated metrics may vary based on multiple variables including seasonality, weather events, carrier performance, and customer location. | |

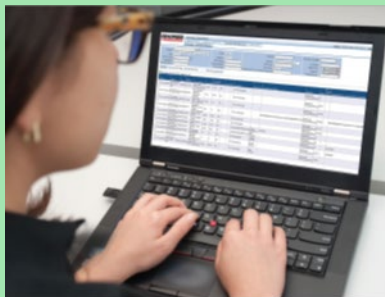
| | |
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| 5.1.7. | Expedited Orders. Describe your approach to handling emergency orders and/or service. Your description may include, but is not limited to, response time, breadth of service coverage, and service level. |
|--------|--|

Grainger provides same day service for emergency orders. Customers contact Customer Service Representatives (CSR) and let them know an expedited order is required. The CSR will push the order through Grainger's Enterprise Resource Planning (ERP) system to ensure it is marked for expedited freight.

5.2. Customer Service

5.2.1.

Customer Service Department. Describe your company's customer service department & operations. Your description may include, but is not limited to, hours of operation, number and location of service centers, parts outlets, number of customer service representatives. Clarify if the service centers are owned by your company or if they are a network of subcontractors.



Grainger has three US customer contact centers with over 2,000 Customer Support Associates available **24 hours a day, 7 days a week** to assist our customers through phone, chat and email.

Grainger US customer service team members are highly trained and experienced employees to serve Members. CSAs do not overlap into other areas, focusing solely on supporting customers. All Customer Service team members have access to advanced information systems 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 locate products for specific applications and finding products to meet specific technical requirements
- Providing dedicated manufacturer and technical support resources
- Helping Buyers select alternate products
- Placing and managing emergency orders
- Generating product quotations and assisting with order placement

5.2.2.

Complaint Resolution. Describe your customer complaint resolution process. Describe how unresolved complaints are handled.

In response to a customer complaint or service issue, Grainger Government Sales Managers, District Sales Managers, Account Managers and sales support team will first collaborate with the customer to gain a full understanding of the circumstances. These experienced resources will assist the customer in identifying available product and service options to achieve prompt resolution. If the matter cannot be resolved, they will escalate and engage the responsible Senior Sales or Service Director for additional internal support and direction.

More broadly, Equalis Members can rely on effective customer service and problem resolution. Grainger's sales team, led by the primary Government Sales Manager, meet regularly with Members to review current satisfaction and goals and make changes and enhancements required. Grainger will look for cost-savings opportunities and review the Member's new initiatives to understand requirements and increase effectiveness and drive additional cost savings.

5.2.3.

Product Returns. Describe your product return policy and procedures.

Grainger 30-Day Satisfaction Guarantee: Equalis Members can return products for any reason for exchange or refund up to 30 days from date of invoice. Proof of purchase from Grainger is required for all returns. Products sold on a "Final Sale" basis cannot be returned.

Returns Process. Should Equalis Members need to return an item they can ship it back to Grainger, contact us directly or drop off the product to the nearest Grainger [branch](#). Products can be returned with the following steps:

1. **Package the item(s) and include the packing slip with the reason for return written on the packing slip. If the packing slip is not available, provide the purchase date, the original invoice number and the item number for the product.**
2. **Indicate whether a replacement product or a credit is desired**
3. Ship the package to the nearest Grainger [branch](#).

For assistance with returns, call Grainger Customer Care at 1-800-GRAINGER (472-4643).

5.3. Order & Invoice Processing; Payment

5.3.1. *Purchasing Options.* Describe the different channels in which this contract will be made available to Equalis Group Members. Your response should include, but is not limited to, whether your organization will serve as the single point of contact or if the contract will be made available to your dealers and reseller to serve as the single point of contact.

Members must buy direct from Grainger unless the member is using a Distributor Alliance authorized reseller. Grainger will serve as the single point of contact for this contract.

5.3.2. *Order Process.* Describe your company's proposal development and order submission process.

Equalis Members can order through multiple ordering channels in the following ways:

- Online through Grainger.com
- The Grainger mobile app (available in the App Store and Google Play)
- Toll-free phone
- Email
- Online chat
- KeepStock Inventory Management Solutions
- In-person in a Grainger Branch
- Account Management Team
- eProcurement EDI, XML

Equalis Members will receive contract pricing no matter what order channel is used to purchase an item. Grainger's pricing team will apply coding to all Member account numbers (locations) within our company wide SAP Business Enterprise System. This coding will include pricing and freight terms, as well as all contract terms and conditions unique to your agreement.

5.3.3. *Invoice Process.* Describe your company's invoicing process.

Invoicing Process: Grainger uses its enterprise system (SAP) that enables the type of billing Equalis Members require. After the order is placed into our system and the delivery process completed (picked up or shipped out), the invoicing process begins.

Member is sent an invoice according to the method required

- **Email:** Invoice is sent to the Member automatically to the identified email addresses in the system
- **Electronic:** Invoice is sent to the Member electronically in cXML, EDI, xCBL or flat file format. Grainger has a team of analysts to work with Members through implementation and testing of these electronic invoicing formats and build

in certain customizations to meet your needs. Electronic invoicing allows your users to easily access invoice data within your system for easier reconciliation and payment.

Invoice and Packing Slips on Grainger.com

Equalis members have ability to search order history and review invoices and packing slips of all Grainger orders on Grainger.com. This makes the reconciliation of pcard purchases easier.

Summary Invoicing: Summary Invoicing (**Summary Billing**) is available for Equalis Members. Grainger's summary billing is an invoicing system that simplifies Members' procurement process while reducing internal costs. We will provide a single bill containing a periodic summary of purchasing activity (monthly, semimonthly, or weekly). By receiving a summary bill rather than individual invoices for each transaction, Members will have fewer pages to approve and fewer checks to write. This reduction in procurement process steps will save you both time and money. If Members meets the requirements for Grainger's Summary Billing program and chooses to participate in this cost savings program, Members will decide:

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

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

5.3.4. *Payment.* What are your standard payment terms? What methods of payment do your company accept?

Grainger's standard payment terms are NET 30. Grainger customers typically have an open account that is invoiced for orders according to their contract.

Grainger also offers Equalis Members the following payment options:

- **Credit card or cash** – At the time of purchase or pickup.
- **Electronic payment (ACH/EFT)** – Grainger uses the Corporate Trade Exchange-820 (CTX-820) ACH/EFT format to process electronic payments. The remittance detail included with the payment file helps Grainger reconcile Equalis Members' payment promptly and accurately.
- **Procurement cards** – Grainger accepts all types of VISA, MasterCard, Discover, and American Express cards.
- **Check** – Checks can be mailed to the "Remit To:" address on the invoice.

5.3.5. *Financing.* Does your company offer any financing options or programs? ☐ Yes ☒ No

Grainger does not offer financing options at this time.

5.4. Members Contracting for Services

5.4.1. *Customer Set Up.* Once an Equalis Group Member decides to accept your company's proposal for services as described in this RFP, what is the process for the Member to become a customer?

Prospective members can go to the Equalis website and click "Become a Member". Once the demographic information is completed and form digitally signed, they become an official member and have access to Equalis' portfolio of contracts. Shortly after completing the membership agreement, they will receive an email with member resources. Members can also print and sign a hard copy of the membership agreement and emailing or faxing back to Equalis.

Grainger will have the affiliation process on Grainger.com for existing Equalis Members or potential Equalis members to access the contract.

| | | |
|--|---|---|
| | | |
| 5.4.2. | Customer Agreements. Does your company have standard customer agreements? If yes, please provide copies of any standard customer agreements and provide a response to question 6.3.3. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Grainger does have standard terms and conditions; however, we customize incentives and other components of our offers in our customer agreements | | |
| 5.4.3. | Contracting. What is the process for reviewing, negotiating, and finalizing any customer-specific contract terms or requirements? Approximately how long does the contracting process take to complete (i.e., secure a fully executed contract document)? What is the typical term length of your customer agreements? | |
| <p>Upon award, existing Equalis Members can join its new MRO Agreement with Grainger as can local government and education customers who are not currently Equalis Members. Each will execute an affiliation document. The Affiliation declaration can be done electronically through the dedicated Equalis landing page, Grainger.com or by hard copy that can be emailed, faxed or sent by USPS to Equalis.</p> <p>The Equalis and Grainger dedicated online portals will educate customers on the benefits of the contract and tools and resources to assist in the Affiliation process. The contract's term can be for the length of the Equalis Agreement with Grainger or that period permitted by the Member's internal rules.</p> <p>Grainger will work expeditiously with individual Equalis Members to integrate specific terms and conditions into the overall agreement. Grainger Government Team members are supported by legal, customer service, IT and other internal resources in support of these efforts.</p> | | |
| | | |

Section 6. Go-To Market Strategy

6.1. Bidder Organizational Structure & Staffing of Relationship

| | |
|--------|--|
| 6.1.1. | Primary Point of Contact for Equalis Group. Who is the individual that will serve as Equalis Group's primary point of contact for developing and implementing a go-to-market strategy to increase Program participation by local governments and educational institutions across the country? Include the individual's name, title, a description of their role, and a resume or biography. |
|--------|--|

Equalis' primary point of contact for developing and implementing a go-to-market strategy will be Mike Klotz.

Name: Mike Klotz

Title: Government Program Manager

Years with Grainger: 24

Years in the industry: 24

Education: Bachelor of Science in Management from Tulane University Business School

Experience:

- *Corporate experience:* 35 years
- *Individual contributor experience:*
 - ~ Pre Grainger (6 yrs.) Account Manager and National Account Manager focused on Fortune 500 companies
 - ~ Grainger (2 yrs.) GPM focused on new cooperative business development, leading state local and education fiscal year end initiative, coverage optimization team member etc.
- *People leadership experience:*
 - ~ Pre Grainger (5 yrs.) - District Sales Manager (DSM)
 - ~ Grainger (22 yrs.) - DSM (19 yrs.) Full time and interim assignments, General Manager (2 yrs.) responsible for field sales and branch services teams and Director (2 yrs.) focused on DSM development

Qualifications:

- Lead and develop sales teams
- Creation and execution of strategic account plans
- Creation and execution of business reviews
- Project/Sales Initiative management
- Collaboration with internal and external business partners

Role: Mike Klotz will manage all Grainger resources to support the Equalis Master Agreement including marketing, sales, sales support, financial reporting and contracts.

| | |
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| 6.1.2. | Key Staff. Provide the names, roles, and tenure with the company of other key staff members who will be working with Equalis Group in such areas as sales management, field sales, marketing, collateral development and approval, accounting, and reporting. |
|--------|--|

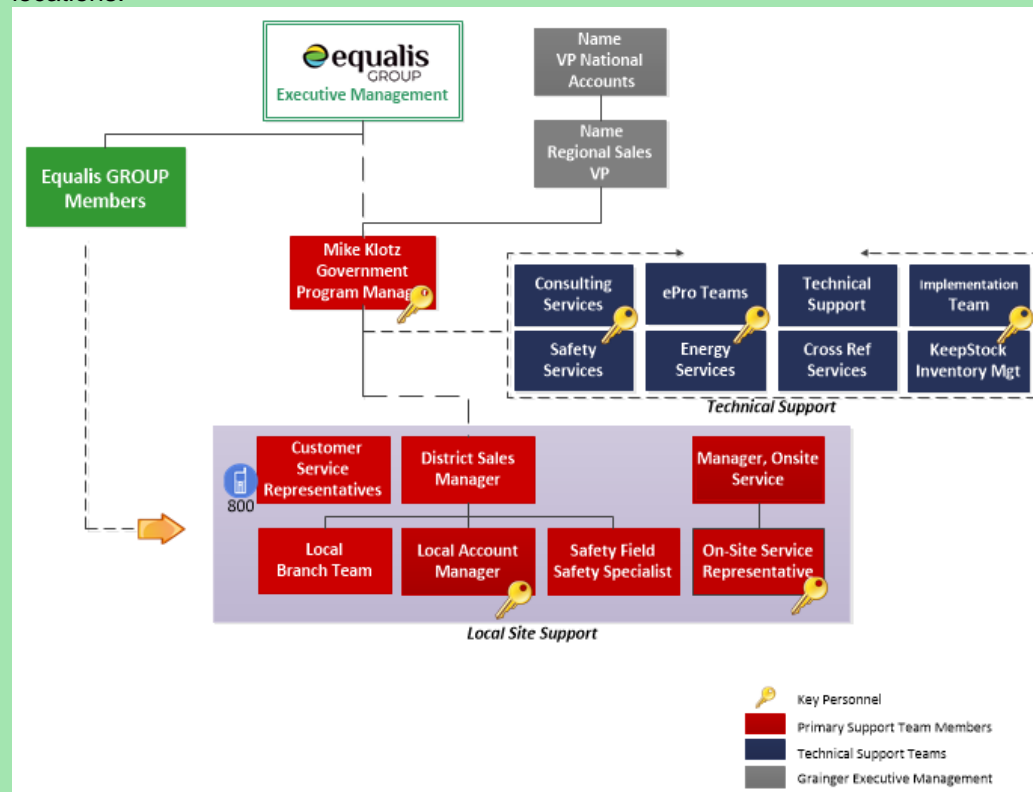
Grainger's experienced Executive Support team has over 140 years of collective experience.

| Name | Title | Email | Phone |
|---|------------------------------------|-----------------------------------|--------------|
| Mike Klotz Primary Point of Contact | Government Program Manager | Mike.Klotz@grainger.com | 504-382-0355 |
| Executive Support | | | |
| Ben Nichols | VP, Government Sales | Benjamin.Nichols@grainger.com | 847-535-1222 |
| Mark Snead | Regional Sales VP Government Coops | Mark.Snead@grainger.com | 804-332-1924 |
| Kelly Berube | Regional Sales VP South | Kelly.Berube@grainger.com | 281-650-4906 |
| David Joyce | Regional Sales VP North | David.Joyce@grainger.com | 610-383-1264 |
| Tim Sweat | Regional Sales VP West | Tim.Sweat@grainger.com | 214-274-2331 |
| Brooke VandeKamp | Director – South Central | Brooke.VandeKamp@grainger.com | 480-980-9029 |
| Tania Figueroa-Godoy | Director – North | Tania.Figueroa-Godoy@grainger.com | 917-523-4836 |
| Christopher Bader | Director – West | Christopher.Bader@grainger.com | 916-606-8657 |
| Marketing | | | |

| | | | |
|---------------------|--------------------------------|--|--------------|
| Raquel West | Marketing Program Manager | Raquel.Case@grainger.com | 847-535-5133 |
| Sales | | | |
| Mike Klotz | Government Program Manager | Mike.Klotz_@grainger.com | 979-224-6794 |
| Multiple (550) | Government Sales Team | Ron.Price@grainger.com | 979-224-6794 |
| Sales Support | | | |
| Contact Center | Government Customer Support | Support@grainger.com | 800-GRAINGER |
| Financial Reporting | | | |
| Mark Haubrich | Manager, Reporting & Analytics | Mark.Haubrich@grainger.com | 847-559-6352 |
| John Sanecki | Sr. Reporting Analyst | John.Sanecki@grainger.com | 847-559-6125 |
| Account Payable | | | |
| AP Team | Government Accounts Payable | Support@grainger.com | 800-GRAINGER |
| Contracts | | | |
| Mike Klotz | Government Program Manager | Ron.Price@grainger.com | 979-224-6794 |

6.1.3. *Organizational Chart.* Provide an organizational chart describing the roles and reporting relationships of senior management and departments or divisions within your company.

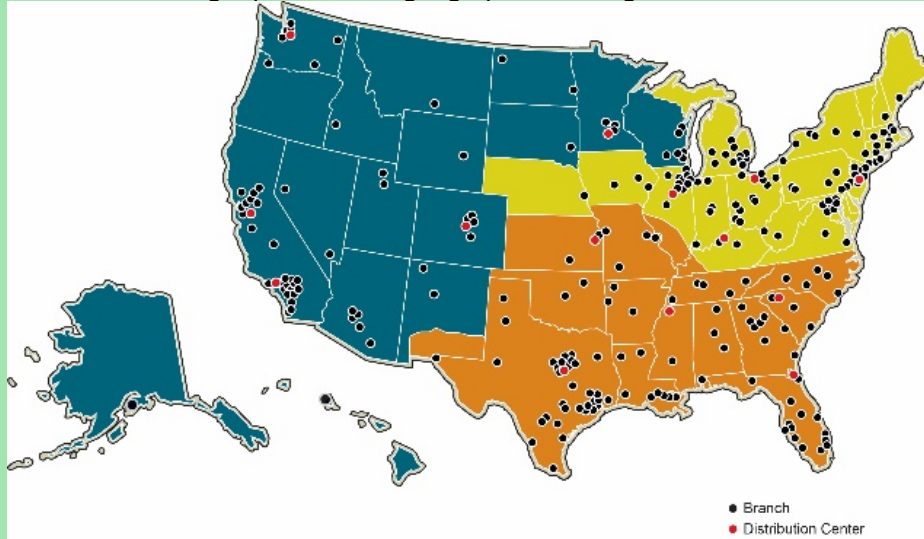
Grainger's experienced multi-level account management team will ensure a high level of support to all Equalis Member locations.



6.1.4. *Sales Organization.* Provide a description of your sales organization, including key staff members, the size of the organization, in-house vs. third-party sales resources, geographic territories, vertical market segmentation, segmentation by account size, inside sales, field sales, and how sales representatives are compensated (e.g., on gross revenue, profitability, or some other formula).

Part of Grainger's National Sales force includes Grainger's Government-Dedicated Sales Organization divided into 3 regions – West, South Central and Northeast (presented in map below). We have coverage in all time zones including 24/7 online, phone and email support. Government-dedicated Grainger sellers manage and service the contract through

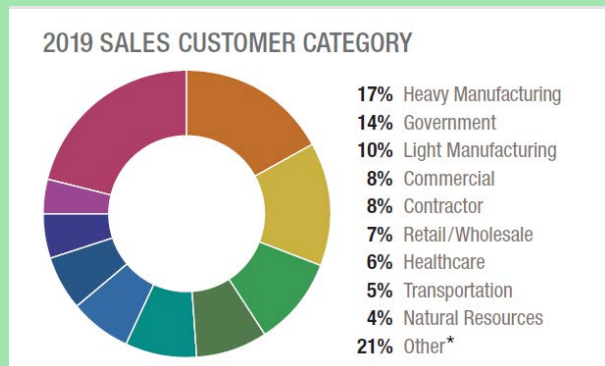
an experienced team of over 560 government sellers, throughout all 50 states, the District of Columbia and US Territories. Grainger provides full geographic coverage to all state, local, and education government Members.



Grainger's government sales team is organized in three divisions to allow for the most effective support to our customers.

To maintain our trained, experienced and tenured employees, Grainger's sales force is compensated with a competitive benefits and salary package including a 401K plan, profit-sharing plan, commission, and total awards.

Grainger classifies its market segmentation in the following manner:



6.2. Contract Implementation Strategy & Expectations

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|--------|--|
| 6.2.1. | Five (5) Year Sales Vision & Strategy. Describe your company's vision and strategy to leverage a piggybackable Master Agreement with Equalis Group to win and retain local government and educational institution business over the next five (5) years. Your response may include, but is not limited to; the geographic or public sector vertical markets being targeted; your strategy for acquiring new business and retaining existing business; how the contract will be deployed with your sales team; and the time frames in which this strategy will be implemented. |
|--------|--|

Upon award, Grainger will meet with Equalis representatives to build a comprehensive plan to meet the objectives of all involved. Grainger's goal is to execute on all initiatives and strategies. The following plans can be customized to meet individual Member needs as we commence our successful partnership. The foundation of our efforts will be based on Equalis insight as to its Members and Grainger experience to discern buying patterns and product demand to target needs. Grainger believes the unique offering this contract provides will meet or exceed Equalis Member requirements.

Once an award is made, a critical initiative is pursued by Grainger's Customer Enablement Managers (CEMs) who will commence implementation by first, educating the Sales Team on key features of the Equalis Agreement. The Sales Team will gain working knowledge of the solicitation process and awareness of the range of agencies and schools eligible to use the Equalis Agreement. Developed will be a robust contract implementation plan entailing specific actions to promote, measure, and reinforce the Agreement's values. A priority is engaging Equalis representatives to gain insight not only to coordinate efforts but to learn details of the Equalis member base to discern where specific objectives should be focused.

The CEMs will partner with Equalis representatives and its Members to pursue changes needed to meet the goals and objectives of the Agreement. The CEMs have deep experience in identifying and delivering the best solutions to fit specific circumstances. This team has expertise in helping customers optimize the benefits resulting from the products, services, and resources Grainger offers and realizing meaningful improvements.

The following outlines Grainger's implementation path:

- Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy

Subsequent to award Equalis and Grainger Executive Leadership will establish initial goals and objectives. Grainger Executive Leadership will circulate e-mail notifications, voice messages and company intranet messages to Grainger team members announcing the new Agreement. These messages will endorse the new Agreement as a viable option and highlight its value and benefits. Sellers will be equipped with information to position the new Agreement to promote success of our relationship.

Grainger will work with Equalis representatives to develop training materials to incorporate the benefits, products and services provided under the new Agreement. Online training will be prepared for presentation via delivery through a Web-Ex format on a regional basis to the national audience. The training materials will provide an overview of the new Agreement and how the Grainger team members will deliver service and solutions.

Training Materials will include:

- Detailed marketing brochure
- Co-branded one-page customer-facing marketing flyer
- Internal Contract Overview PPT Deck for Grainger training
- Establish – Public Sector Landing Page with Equalis award details to educate potential customers
- Educating Grainger Government Salesforce as to Equalis values

Training will be rolled out, with endorsement from Grainger and Equalis executive leadership, to all Grainger and Equalis customer-facing employees and phone associates. Grainger eCommerce customer service representatives will participate in the training to ensure consistency of experience in delivering e-Commerce solutions. Other teams trained include: Customer Service (Call Centers and Branches), Inventory Management, and others associated with contract launch.

- Coordinating with Equalis representatives, Grainger's dedicated Government Sales force will pursue digital marketing and trade publications, will target entities to explain the benefits of the new Agreement so each entity can realize the new contract's value. Grainger Actions will include:
 - Conduct national and regional conference calls with Grainger Government Sales Force engaging the strategy with all Grainger sales and operations personnel.
 - Execute Co-branded Marketing Plan to educate customers on the benefits of the new Master Agreement through digital marketing and trade publications.
 - Activate Equalis dedicated online portal as a tool to educate customers on the benefits of the contract and tools and resources to assist in the Affiliation process.
- **Pursuing Participating and Prospective Equalis Members**
 - Grainger will leverage its 560+ strong Government sales force to promote and launch the contract through email and face to face meetings with Equalis Members and potential Members.
 - Co-brand marketing material to be created and delivered through social media, Grainger website (www.Grainger.com), and other media channels.

- Lead regional calls between Grainger and Equalis to review affiliation progress, new targets and customer satisfaction.
- Work in coordination Equalis to identify trade shows, conferences or publications to market the new agreement (subject to pandemic restrictions)
- Activate pricing for affiliated customers within 48 hours of affiliation to new contract.

• **Ongoing Actions**

- Understand and pursue individual customer goals and initiatives to allow Grainger to leverage the full value of the Equalis agreement.
- Leverage sales tools, resources such as Salesforce (trademark) to ensure Grainger is touching all potential contacts within each customer to explain the benefits of the Master Agreement.
- Commence conducting Quarterly Business Reviews to review cost savings and refine targets to meet objectives.

• **Continuous Review**

- Evaluate initial benchmarks and refine based on newly identified opportunities and challenges.
- Maintain program marketing to promote the contract.
- Facilitate monthly regional calls between Grainger and Equalis field sales to review affiliations, new targets and opportunities for improvement.
- Refine the marketing plan between Grainger and Equalis targeting customers for relevant solutions driving the value outlined in the Agreement.

Grainger will continue to house and develop enhancements to the Equalis landing page. This landing page features the Equalis logo, a copy of the original Request for Proposal, a copy of the contract amendments between principal procuring agency and Grainger, a summary of products and pricing, marketing material, an electronic link to Equalis online registration page, and a dedicated toll free number and email address for Equalis. The landing page will also provide new products, a contract overview and live links to solutions to assist Equalis members to reduce facilities costs.

| | | |
|--------|---|---|
| 6.2.2. | Sales Team Incentives. Will your sales team be equally incentivized to leverage the Equalis Group Master Agreement as compared to any other traditional sales process or cooperative contract? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
|--------|---|---|

[Click here to enter response.](#)

| | |
|--------|--|
| 6.2.3. | Revenue Objectives. What are your revenue objectives in each of the five (5) years of the piggybackable Master Agreement? |
|--------|--|

Upon award, and led by Grainger's enablement team, we will engage Equalis representatives as to its current members and how they purchase MRO. Grainger will examine each in context of current MRO purchases and how the Equalis Agreement presents meaningful improvements. From this foundation, we will work with Equalis to establish short and long-term revenue objectives.

Emphasis will be directed to Members most likely to embrace a high touch, high-service model where we will assist the member to identify the products it needs and ensure that those products are available and delivered where needed. Such agencies and schools understand supply chain metrics, that the price of product is but one factor of overall acquisition cost. Our experience indicates that such entities value the efficiency and effectiveness of technical expertise, system search and reporting ease and proven compliance and integrity performance.

Beyond current Equalis members, our objectives will be shaped by the fragmented character of the MRO market and its highly competitive environment. We will work with Equalis to pursue potential members that share the perspectives noted above. A critical element of the Grainger Government Team is working with the potential customer to demonstrate how it can make changes to its supply chain that reduce inventory and save time in search and shopping, all of which reduces cost and results in quantified savings. Our expertise and experience in bringing about recognized improvements range from the small customer with one location and relatively few maintenance and repair personnel to those with multiple locations and a range of trade professionals with varying requirements

Grainger pledges to Equalis and its Members, current and future, that we will focus in identifying and attracting customers to its offering and maintaining those customers through reliability, trust and accountability. We look forward to working with Equalis on the significant opportunities its MRO Cooperative Agreement provides.

6.3. Administrative Fee & Reporting

| | | |
|--|--|---|
| 6.3.1. | Administrative Fee. Equalis Group generates revenue as a percentage of the Winning Supplier's revenue from local government and educational institutions purchasing products and services from Winning Supplier through the piggybackable Master Agreement between the Winning Supplier and Equalis Group. The Administrative Fee is designed to align the interests of the Winning Supplier and Equalis Group – Equalis Group only generates revenue when the Winning Supplier generates revenue based on Program utilization by current and future Members. The Administrative Fee for this Program is two percent (2%) of the Winning Supplier's Program revenue, payable upon invoice issued by the Winning Supplier to participating Equalis Group Members. Confirm that, if selected as the Winning Supplier of this RFP process, Bidder agrees to this Administrative Fee structure. | <input type="checkbox"/> Agree <input checked="" type="checkbox"/> Negotiate |
| Click here to provide additional commentary, if necessary. | | |
| 6.3.2. | Sales & Administrative Fee Reporting. Equalis Group requires monthly reports detailing sales invoiced the prior month and associated Administrative Fees earned by the 15 th of each month and reports detailing the prior calendar year's sales invoiced and Administrative Fees earned within thirty (30) days following the end of the calendar year. Confirm that your company will meet or exceed this reporting requirement. If your company cannot meet this reporting requirements schedule, explain why and propose an alternative time schedule for providing these reports to Equalis Group. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Grainger can meet the Sales and Administrative Fee Reporting within 45 days of the previous month. | | |

GRAINGER SERVICES



Count on Grainger's comprehensive suite of services to help keep your operations running, people safe and costs under control. **Grainger can help with strategic business solutions offered through our network of qualified, insured and licensed service providers.** Take a closer look at this extensive list that includes featured services like:



KEEPSTOCK® INVENTORY MANAGEMENT

From self-serve tools to complex inventory management challenges, we'll help tailor an inventory management solution that fits your needs so you have what you need, when and where you need it.



CONSULTING SERVICES

We work with you to learn your business, identify improvement opportunities and develop a strategic plan of solutions to help get you from start to savings.



eCOMMERCE & ePROCUREMENT

Grainger can help you reduce requisition-to-order costs and increasing your invoice-to-purchase order matching with eProcurement solutions tailored for your business.

EMERGENCY PREPAREDNESS

| SERVICE TYPE | No Fee | Fee Based |
|---|--------|-----------|
| EMERGENCY PREPAREDNESS & RESPONSE | | |
| Active Shooter Practical Exercise | | • |
| Active Shooter Training | | • |
| Business Continuity Planning Workshop | | • |
| Emergency Operations Plan | | • |
| Homeland Security Exercise Evaluation Program (HSEEP) Exercises | | • |
| Incident Command System (ICS) Training | | • |
| Pandemic Response/Personal Protective Equipment Training | | • |
| GRAINGER EMERGENCY SERVICES | | |
| After-Hours Emergency Services | • | |
| Emergency Recovery and Response Services | • | |

EMERGENCY PREPAREDNESS CONTINUED

| SERVICE TYPE | No Fee | Fee Based |
|---|--------|-----------|
| Emergency Support Teams | • | |
| Essential Product Availability | • | |
| Extended Hours and Personnel (Grainger Branches) | • | |
| HEALTHCARE SPECIFIC | | |
| Aggression Management Training | | • |
| Behavioral Health Product Installation ** | | • |
| Emergency Management Program Assessment (accreditation audit) | | • |
| Hazardous Materials Awareness Level Training | | • |
| Healthcare All-Hazards Evacuation Plan | | • |
| Healthcare All-Hazards Evacuation Training | | • |
| Healthcare Business Continuity Planning (Continuity of Operations Plan) | | • |
| Healthcare Evacuation Exercise | | • |
| Healthcare Security Assmt (Focused-Full) | | • |
| Hospital Command Center (HCC) Workshop | | • |
| Hospital Decontamination Practical Exercise | | • |
| Hospital First Receiver Decontamination Training | | • |
| Hospital Incident Command System (HICS) Essentials Training | | • |
| Hospital Incident Command System (HICS) Workshop | | • |
| Loss of Community Support (96 Hour) Plan | | • |

ENERGY

| | | |
|---|--|---|
| ENERGY SERVICES | | |
| Compressed Air System Studies and Upgrades | | • |
| Dust Collection System Studies & Upgrades | | • |
| Electrical Vehical Charging Station Installations | | • |
| HVAC Filter Change-Out and Preventative Maintenance | | • |
| HVAC Optimization and Upgrades | | • |
| Midstream Utility Rebate Incentives | | • |
| Motor & Drive Upgrades | | • |
| Steam Trap Assessments & Upgrades | | • |
| System Studies | | • |
| Water Conservation | | • |

** Due to various statutory and regulatory requirements, authorization to sell this service to some Government customers requires Grainger legal and compliance review before proceeding.

ENERGY CONTINUED

| SERVICE TYPE | No Fee | Fee Based |
|--------------|--------|-----------|
|--------------|--------|-----------|

ENVIRONMENTAL, HEALTH & SAFETY

| | | |
|---|---|---|
| EH&S PROGRAM DEVELOPMENT | | |
| 5S Design and Training | | • |
| Business Continuation Plan | | • |
| EHS Management System Program Development (ISO9001/14001/22001/45001, OHSAS18001) | | • |
| eLOTO Procedure Writing Software (Master Lock) | | • |
| Emergency Evacuation Plans | | • |
| Equipment Specific Procedure Development (Confined Space) | | • |
| Equipment Specific Procedure Development (Electrical Safety) | | • |
| Equipment Specific Procedure Development (Environmental Safety Hazards) | | • |
| Equipment Specific Procedure Development (Fall Protection) | | • |
| Equipment Specific Procedure Development (Lockout/Tagout) | | • |
| Equipment Specific Procedure Development (Medical & First Aid) | | • |
| Equipment Specific Procedure Development (Occupational Health Hazards) | | • |
| Expert Witness | | • |
| Food Safety Program Development & Qualification | | • |
| Hand Protection & Glove Program * | • | |
| iNet Gas Detection Service (Referral) | | • |
| ISC Gas Detection Equipment Rentals (Referral) | | • |
| LINK360 - Safety Compliance Software (Brady) | | • |
| Managed Footwear Program * | • | |
| Prescription Eyewear Solutions * | • | |
| Process Safety Management | | • |
| Speaking Engagements | | • |
| Temporary Safety Professionals/Permanent Safety Staffing | | • |
| VPP Management Solutions Assistance | | • |
| Written Safety Program Development | | • |
| EH&S ASSESSMENT, TESTING & AUDITS | | |
| AED Inspection Services | | • |
| Arc Flash Analysis | | • |
| Audiometric Testing/Re-Testing | | • |

* Requires qualifying purchase.

ENVIRONMENTAL, HEALTH & SAFETY CONTINUED

| SERVICE TYPE | No Fee | Fee Based |
|--|--------|-----------|
| Backflow System Inspection & Service | | • |
| Behavioral Health Safety Risk Assessment | | • |
| Bio Safety Solutions | | • |
| Combustible Dust Surveys | | • |
| Confined Space Identification/Audits | | • |
| Crane & Hoist Inspections | | • |
| Electrical Safety Assessments | | • |
| Emergency Eye Wash Station Assessments & Inspections | | • |
| Emergency Light and Exit Lights Inspections & Service | | • |
| Employee Exposure Monitoring | | • |
| Engineered Fall Protection (Use 3M Product) * | | • |
| Engineered Fall Protection (Use Any Product Supplier) * | | • |
| Engineered Fall Protection (Use FallTech Product) * | | • |
| Engineered Fall Protection (Use Honeywell Product) * | | • |
| Engineered Fall Protection (Use MSA Product) * | | • |
| Engineered Fall Protection NON-PENETRATING WEIGHT BASED ONLY * | | • |
| Environmental Compliance - Assessments -Consulting (air, water, waste) | | • |
| Environmental Compliance Audits | | • |
| Ergonomic Matting Assessment * | • | |
| Ergonomics Assessments | | • |
| Fall Protection Assessments/Audits | | • |
| Fall Protection Assessments/Audits (Basic) | • | |
| Fall Protection Equipment Inspections - Harnesses, etc. | | • |
| Fall Protection Equipment Inspections - Harnesses, etc. (Basic) | • | |
| Fire Alarm System Design and Installation (Referral) | | • |
| Fire Alarm System Inspection & Service | | • |
| Fire and smoke damper inspection & repairs ** | | • |
| Fire and smoke door inspection & repairs ** | | • |
| Fire Extinguisher Inspections & Service | | • |
| Fire Protection Assessment & Testing (sprinkler systems) | | • |
| Fire Protection Design and Installation (sprinkler systems) (Referral) | | • |

* Requires qualifying purchase.

** Due to various statutory and regulatory requirements, authorization to sell this service to some Government customers requires Grainger legal and compliance review before proceeding.

ENVIRONMENTAL, HEALTH & SAFETY CONTINUED

| SERVICE TYPE | No Fee | Fee Based |
|--|--------|-----------|
| Fire Protection Inspection, Testing & Maintenance (sprinkler systems) | | • |
| Fire: Special Hazard Fire Suppression System Design & Installation (Referral) | | • |
| Fire: Sprinkler Line Compliance Management & repairs ** | | • |
| Firestop and fire barrier inspection & repairs ** | | • |
| Fleet Safety Assessments | | • |
| Food Safety Compliance/Certification Assessments (FDA/FSMA, HACCP, GFSI) | | • |
| Hearing - Ear Fit Test | | • |
| Hearing Loss Determinations (Work Related) - Audiologist reviewed | | • |
| Heat Stress Assessment (Hot & Cold) | | • |
| Indoor Air Quality Assessments | | • |
| Industrial Hygiene Assessments | | • |
| Job Hazard Analysis | | • |
| Kitchen Hood Suppression System Inspection & Service | | • |
| Ladder Inspection Services | | • |
| Lifting & Rigging Site Assessments | | • |
| Lockout/Tagout Assessments | | • |
| Machine Guarding Audits | | • |
| Management System Assessments, Integration & Certification Preparation (ISO9001/14001/22001/45001, OHSAS18001) | | • |
| Mock CARF Audits | | • |
| Mock MSHA Audits | | • |
| Mock OSHA Audits | | • |
| Mock TJC Audits | | • |
| Noise Surveys (Sound Survey) | | • |
| Online Respirator Medical Clearance Testing | | • |
| OSHA RecordKeeping Assessments | | • |
| OSHA Violation Counseling | | • |
| Photo luminescent markings inspection & installation | | • |
| PPE Assessments | | • |
| Pulmonary Function Testing | | • |
| Respirator Fit Testing | | • |
| Respirator Fit Testing (Medical Health Questionnaire) - Physician reviewed | | • |

** Due to various statutory and regulatory requirements, authorization to sell this service to some Government customers requires Grainger legal and compliance review before proceeding.

ENVIRONMENTAL, HEALTH & SAFETY CONTINUED

| SERVICE TYPE | No Fee | Fee Based |
|--|--------|-----------|
| Rigging & Sling Inspections | | • |
| Safety Paint Assessment * | • | |
| Silica Dust Exposure Compliance | | • |
| Slips Trips and Falls Assessment * | • | |
| Special Hazard Fire Suppression System Design & Installation (Referral) | | • |
| Survey & Analysis of Building Water Systems | | • |
| Sustainability Assessments | | • |
| Turnkey Engineered Fall Protection System (Referral) * | | • |
| Vehicle Lift Inspection Service | | • |
| Ventilation System Testing | | • |
| Vision Screening | | • |
| Warehouse/DC Rack Inspections | | • |
| TECHNICIAN SKILL & SAFETY TRAINING - INSTRUCTOR-LED/LIVE OR VIRTUAL | | |
| Compliance – Electrical: Multiple course covering NFPA, NEC, NICET and more | | • |
| Compliance – Mechanical: Multiple courses covering Confined Space, DOT, Chemical Safety, HAZWOPER and more | | • |
| FOOD SAFETY TRAINING - INSTRUCTOR-LED/LIVE OR VIRTUAL | | |
| Food Program and HACCP Courses - HACCP FDA/FSMA, FSSC22000, GFSI, GMPs, SQF | | • |
| EH&S ONLINE SERVICES & TRAINING | | |
| Incident, Inspection and Asset Management (iCertainty) | | • |
| Inspection Management (AuditPRO) | | • |
| Learning Management System and Online EH&S Training Libraries | | • |
| Online EH&S Training Libraries (Via Customer's LMS) | | • |
| Online Healthcare Compliance System (CRx) | | • |
| Online Occupational Health Evaluations (Audio, Pulmonary, Respiratory) | | • |
| Online SDS Management System | | • |
| Specialized Online Safety Training (OSHA 10/30, NFPA70E) | | • |
| EH&S TRAINING - INSTRUCTOR-LED/LIVE OR VIRTUAL | | |
| Medical Gas Maintenance Personnel Certification Training (ASSE 6040) | | • |
| More than 30 Critical Topics; Electrical, BBP, Confined Space, Fire, Falls, HAZCOM, HAZMAT, LOTO and more | | • |
| RCRA Training - Solid and hazardous waste disposal | | • |
| Toolbox Talk Resources on Multiple Safety/EHS Critical Topics | | • |

* Requires qualifying purchase.

GRAINGER SERVICES

ENVIRONMENTAL, HEALTH & SAFETY CONTINUED

| SERVICE TYPE | No Fee | Fee Based |
|---|--------|-----------|
| FACILITY | | |
| ROOFING SERVICES | | |
| Air Barrier Audits | | • |
| Ceiling Tile Installation/Replacement ** | | • |
| Infrared Scan | | • |
| OLI Services | | • |
| Patch & Repair ** | | • |
| Roof Cleaning | | • |
| Roof Restoration ** | | • |
| Rooftop Safety Installation ** | | • |
| Tremcare Warranty ** | | • |
| FLOORING SERVICES | | |
| Concrete Polishing | | • |
| Floor Design and Installation | | • |
| Floor Repairs | | • |
| Floor Striping | | • |
| TECHNICIAN SKILL & SAFETY TRAINING - INSTRUCTOR-LED/LIVE OR VIRTUAL | | |
| Electrical - More than 30 Electrical Skills and Safety Courses | | • |
| HVAC - Multiple HVAC Technical Skills Courses | | • |
| Mechanical - Multiple Courses covering Hydraulics, Pneumatics, Pumps, Machine Tools, Welding and more | | • |
| ELECTRICAL SERVICES | | |
| Electrical Emergency Services & Disaster Recovery | | • |
| Electrical Engineering Services - Arc Flash Analysis | | • |
| Electrical Engineering Services - Circuit Loading Study | | • |
| Electrical Engineering Services - Electrical Systems Analysis | | • |
| Electrical Engineering Services - Harmonics Assessment/Testing Services | | • |
| Electrical Engineering Services - Power Consulting | | • |
| Electrical Engineering Services - Power Quality Correction | | • |
| Electrical Engineering Services - Project Engineering/Custom Design | | • |
| Electrical Engineering Services - Project Management | | • |
| Electrical Engineering Services - Remote Power Management | | • |

** Due to various statutory and regulatory requirements, authorization to sell this service to some Government customers requires Grainger legal and compliance review before proceeding.

FACILITY CONTINUED

| SERVICE TYPE | No Fee | Fee Based |
|--|--------|-----------|
| Electrical Engineering Services - Ungrounded to High Resistance Conversion | | • |
| Electrical Maintenance & Testing - Infrared Testing | | • |
| Electrical Maintenance & Testing - Monitoring Systems | | • |
| Electrical Maintenance & Testing - On-Site Preventative Maintenance | | • |
| Electrical Maintenance & Testing - Relay and Metering Calibration | | • |
| Electrical Maintenance & Testing - Service Agreements | | • |
| Electrical Maintenance & Testing - Spare Parts | | • |
| Electrical Turnkey Installation Services - Infrared Viewing Window | | • |
| Electrical Turnkey Installation Services - Installation Coordination | | • |
| Electrical Turnkey Installation Services - On-Site Training | | • |
| Electrical Turnkey Installation Services - Project Management | | • |
| Electrical Turnkey Installation Services - Site Measurement Services | | • |
| Electrical Turnkey Installation Services - Start Up Services | | • |
| Electrical Turnkey Installation Services - Turnkey Capabilities | | • |
| Medium Voltage/Low Voltage Services - Circuit Breaker Conversion to Vacuum Starter | | • |
| Medium Voltage/Low Voltage Services - Direct Replacement Circuit Breakers | | • |
| Medium Voltage/Low Voltage Services - Industrial Electronic Repairs | | • |
| Medium Voltage/Low Voltage Services - Network Protectors | | • |
| Medium Voltage/Low Voltage Services - Reconditioning Program for Circuit Breakers | | • |
| Medium Voltage/Low Voltage Services - Relay and Metering Retrofits/Replacement | | • |
| Medium Voltage/Low Voltage Services - Remote Racking Systems | | • |
| Medium Voltage/Low Voltage Services - Retrofill Solutions | | • |
| Medium Voltage/Low Voltage Services - Switchgear Expansions and Upgrades | | • |
| Medium Voltage/Low Voltage Services - Trip Unit Retrofills | | • |
| FIRE & SMOKE BARRIER/DOOR/DAMPER SERVICES | | |
| Fire Alarm System Design and Installation (Referral) | | • |
| Fire Alarm System Inspection & Service | | • |
| Fire and smoke damper inspection & repairs ** | | • |
| Fire and smoke door inspection & repairs ** | | • |
| Fire Extinguisher Inspections & Service | | • |
| Fire Protection Assessment & Testing (sprinkler systems) | | • |

** Due to various statutory and regulatory requirements, authorization to sell this service to some Government customers requires Grainger legal and compliance review before proceeding.

GRAINGER SERVICES

FACILITY CONTINUED

| SERVICE TYPE | No Fee | Fee Based |
|---|--------|-----------|
| Fire Protection Design and Installation (sprinkler systems) (Referral) | | • |
| Fire Protection Inspection, Testing & Maintenance (sprinkler systems) | | • |
| Fire: Special Hazard Fire Suppression System Design & Installation (Referral) | | • |
| Fire: Sprinkler Line Compliance Management & repairs ** | | • |
| Firestop and fire barrier inspection & repairs ** | | • |
| LAB SERVICES | | |
| Lab Furniture Assembly and Installation ** | | • |
| TV Furniture Assembly and Installation | | • |

GRAINGER SOLUTIONS

| | | |
|--|---|--|
| GRAINGER EMERGENCY SERVICES | | |
| After-Hours Emergency Services | • | |
| Emergency Recovery and Response Services | • | |
| Emergency Support Teams | • | |
| Essential Product Availability | • | |
| Extended Hours and Personnel (Grainger Branches) | • | |
| ON-THE-PHONE RESOURCES | | |
| Ask an Expert/TPS | • | |
| CONSULTING SERVICES | | |
| Consulting Services | • | |
| IN FIELD RESOURCES (WHERE AVAILABLE) | | |
| Field Specialists (Footwear, Metalworking, Safety, etc.) | • | |
| GRAINGER ONLINE RESOURCES | | |
| GraingerSafety Solution Center | • | |
| KnowHow Resource Center | • | |
| ECOMMERCE & EPROCUREMENT SOLUTIONS | | |
| Integration to Market Place or ERP | • | |
| Landing Page or Custom Home Page | • | |
| Order Management System | • | |
| Punch Out Catalog | • | |
| Training (Onsite – Webinar – Materials) | • | |
| INVENTORY MANAGEMENT | | |
| KeepStock Customer Managed Inventory (CMI) Solution | • | |

** Due to various statutory and regulatory requirements, authorization to sell this service to some Government customers requires Grainger legal and compliance review before proceeding.

GRAINGER SOLUTIONS CONTINUED

| SERVICE TYPE | No Fee | Fee Based |
|---|--------|-----------|
| KeepStock Onsite Inventory Solution (VMI) | • | |
| KeepStock Secure Vending Solutions | • | |
| Managed MRO Solution | | • |
| BENEFITS MANAGEMENT PROGRAM | | |
| Managed Footwear Program * | • | |
| Prescription Eyewear Solutions * | • | |

INDUSTRY-SPECIFIC

| | | |
|--|---|---|
| HEALTHCARE SPECIFIC | | |
| Aggression Management Training | | • |
| Behavioral Health Product Installation ** | | • |
| Emergency Management Program Assessment (accreditation audit) | | • |
| Hazardous Materials Awareness Level Training | | • |
| Healthcare All-Hazards Evacuation Plan | | • |
| Healthcare All-Hazards Evacuation Training | | • |
| Healthcare Business Continuity Planning (Continuity of Operations Plan) | | • |
| Healthcare Evacuation Exercise | | • |
| Healthcare Security Assmt (Focused-Full) | | • |
| Hospital Command Center (HCC) Workshop | | • |
| Hospital Decontamination Practical Exercise | | • |
| Hospital First Receiver Decontamination Training | | • |
| Hospital Incident Command System (HICS) Essentials Training | | • |
| Hospital Incident Command System (HICS) Workshop | | • |
| Incident, Inspection and Asset Management (iCertainty) | | • |
| Loss of Community Support (96 Hour) Plan | | • |
| Mock TJC Audits | | • |
| Online Safety Training Courses (numerous topics) | | • |
| VersaTrak monitoring safety system installation, training and technical support services | | • |
| METALWORKING SPECIFIC | | |
| Custom Band Saw Blades * | • | |
| Lockout/Tagout | | • |
| Machine Guarding | | • |

* Requires qualifying purchase.

** Due to various statutory and regulatory requirements, authorization to sell this service to some Government customers requires Grainger legal and compliance review before proceeding.

INDUSTRY-SPECIFIC CONTINUED

| SERVICE TYPE | No Fee | Fee Based |
|--|--------|-----------|
| Tool Reconditioning/Regrinding | | • |
| FOOD & BEVERAGE SPECIFIC | | |
| EnviroTrak monitoring system installation, training and technical support services | | • |
| Food Program Training (FDA/FSMA, FSSC22000, GFSI, GMPs, SQF) | | • |
| Food Safety Compliance/Certification Assessments (FDA/FSMA, HACCP, GFSI) | | • |
| Food Safety Program Development & Qualification | | • |
| HACCP/Preventive Controls Training | | • |
| Kitchen Hood Suppression System Inspection & Service | | • |
| VersaTrak monitoring safety system installation, training and technical support services | | • |

LIGHTING

| | | |
|--|--|---|
| LIGHTING RETROFIT & UPGRADES | | |
| Exterior Lighting Retrofit & Upgrades | | • |
| Exterior Lighting Retrofit & Upgrades Material Only Projects | | • |
| Interior Lighting Retrofit & Upgrades | | • |
| Interior Lighting Retrofit & Upgrades Material Only Projects | | • |
| ENERGY REBATE INCENTIVES | | |
| Midstream Utility Rebate Incentives | | • |

ONLINE

| | | |
|--|--|---|
| EH&S ONLINE SERVICES & TRAINING | | |
| Active Violence/ Armed Intruder Training - Online Course | | • |
| Emergency Oxygen Administration Training - Online Course | | • |
| First Aid/CPR/AED/BBP Training - Online Courses | | • |
| Incident, Inspection and Asset Management (iCertainty) | | • |
| Inspection Management (AuditPRO) | | • |
| Learning Management System and Online EH&S Training Libraries | | • |
| Online EH&S Training Libraries (Via Customer's LMS) | | • |
| Online Healthcare Compliance System (CRx) | | • |
| Online Occupational Health Evaluations (Audio, Pulmonary, Respiratory) | | • |
| Online SDS Management System | | • |
| Red Cross Train the Trainer – Blended Course (online + onsite) | | • |
| Severe/Life Threatening Bleed Training - Online Course | | • |

ONLINE CONTINUED

| SERVICE TYPE | No Fee | Fee Based |
|---|--------|-----------|
| Specialized Online Safety Training (DOT, HAZWOPER, OSHA 10/30, NFPA70E, etc.) | | • |

SUSTAINABILITY

| SUSTAINABILITY - PRODUCT SERVICES | | |
|---|---|--|
| Diversey / Floor Care Productivity Survey * | • | |
| Diversey / Greenguard Certification * | • | |
| Georgia-Pacific / Dispenser Refurbish, Recycle, Reuse (RRR) Program * | • | |
| Georgia-Pacific / LEED® Calculator & LEED® Reporting * | • | |
| Georgia-Pacific / Battery Recycling Program * | • | |
| GOJO / Dispenser Disposal & Recovery * | • | |
| GOJO / Pre-Installation Site Survey * | • | |
| New Pig Spill Preparedness Program * | • | |
| Rubbermaid / Innovative Solutions Mobile Showroom * | • | |
| Rubbermaid / LEED® Certification Support * | • | |
| Rubbermaid / Recycling Solutions * | • | |
| Rubbermaid / Site Assessments & ROI Calculators * | • | |
| Rubbermaid / Waste Audits * | • | |

* Requires qualifying purchase.



2019 Annual Report

For more information:

The Grainger Fact Book contains information about the company's strategy, operations and business units. The Fact Book can be found on the Grainger Investor Relations website at invest.grainger.com.

Grainger's Corporate Social Responsibility commitments include operating responsibly, valuing its people, sustaining the environment and serving its communities. To learn more about Grainger's CSR efforts, please visit graingerCSR.com



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

Grainger Shareholders:

At Grainger, our purpose is to keep the world working. Whether helping a hospital focus on patient care, a manufacturing plant focus on building great products, or a school focus on teaching, the work Grainger's 25,000 team members do in the background helps keep facilities running so our more than three and half million customers can focus on what they do best.

In 2019, we introduced the Grainger Edge, our new strategic framework that defines who we are, why we exist, and how we'll work together to achieve our objectives. Our new framework includes a set of principles that define the behaviors we expect from our team members as they work with each other, our customers and our supplier partners. They support our commitment to having an inclusive culture where we operate with the highest ethics in and outside of our industry. Holding ourselves accountable to these principles will help us execute our strategy and create value for our shareholders. The Grainger Edge also is the foundational structure for our strategy as we work to consistently gain share through our two distinct business models that allow us to leverage our scale and supply chain to support customers with different needs.

Our high-touch solutions model serves customers that have complex needs and are looking for more tailored service. In this model, we develop powerful customer solutions, deliver a great customer experience and develop deep customer relationships. Our Grainger U.S., Canada, and Mexico operations, as well as our Cromwell and Fabory businesses, execute this model.

In our endless assortment model, we provide less complex customers with an expansive product assortment and easy-to-use website. This model is based on acquiring customers and leveraging our simple and efficient customer experience to develop and maintain strong customer relationships. Our MonotaRO and Zoro businesses excel within this model.

When we execute against these two models, we consistently gain share, grow profitably and deliver strong shareholder value. Over the last few years we've taken actions to strengthen both models and position the Company for success, including:

- Reset pricing of our U.S. business;
- Verticalized our sales force and added an inside sales group;
- Centralized our call centers;
- Restructured our KeepStock inventory management program;
- Improved search on Grainger.com;
- Added capacity to our U.S. supply chain;
- Reset our Canadian business; and
- Divested non-core international businesses.

And we've done all this while also realizing significant leverage on our cost structure.

Our market was certainly challenging in 2019, with market growth declining as the year progressed. In the face of a slow and variable market, we delivered solid results. The Grainger business in the United States outgrew the MRO market by 150 to 200 basis points, maintaining share-gaining momentum throughout the year and posting 300 basis points of growth in the fourth quarter. In the U.S. business we remerchandised \$1.2 billion of products, more than double any time in our history. In our endless assortment model, we grew revenue 19 percent driven by strong growth at both MonotaRO and Zoro. We invested to enhance our Zoro U.S. offering, including adding roughly 1.5 million SKUs, which pushed Zoro's assortment to nearly 3.5 million products. Other full-year 2019 highlights include:

- Company sales of \$11.5 billion, up three percent from 2018 on a constant currency basis*;
- Adjusted earnings per share were \$17.29, up four percent versus 2018*;
- Cash generated from operations of \$1.04 billion; and
- Cash returned to shareholders of over \$1 billion in the form of approximately 2.4 million shares repurchased for \$700 million and \$328 million in dividends paid.

* Please refer to pages 72 and 21 of this report for the GAAP to non-GAAP reconciliations of net sales growth on a constant currency basis and adjusted earnings per share, respectively.

Going forward, with our strategy and alignment, we expect to consistently outgrow the market by 300 to 400 basis points in our core high-touch solutions business in the U.S. In our endless assortment businesses, we expect about 20 percent annual revenue growth. In 2020, we are focused on several initiatives to support this growth:

- Remerchandising \$1.6 billion of product, including selective SKU additions, to enhance our assortment;
- Reaching more customers through both incremental marketing investments and from more effective marketing;
- Bolstering our expertise in digital and technology solutions in order to serve a more sophisticated and tech-enabled customer base;
- Investing in network capacity and utilization to enhance our customer experience and strengthen our world-class customer service backbone;
- Adding sellers to be more relevant in certain segments and geographies and equipping our sales organization with the right toolset to serve our customers most effectively;
- Embedding our solutions with our more complex customers through our inventory management offerings;
- Returning our Canadian business to growth and turning around our business in the United Kingdom;
- Expanding Zoro's U.S. assortment to tap into new markets and customer groups not served by other Grainger channels; and
- Leveraging the Cromwell supply chain and executing our strategy to profitably grow the Zoro U.K. business.

We expect to accomplish these priorities while generating attractive long-term returns for our shareholders, providing a great experience for customers, offering meaningful work for team members, and continuing to be a good citizen to our neighbors.

On that front, I am pleased with the progress we continue to make with our sustainability efforts. As a reminder, in 2014, we set a greenhouse gas (GHG) emissions intensity target to reduce our emissions per revenue 33 percent by 2020. In 2018 we exceeded our target and continued that progress in 2019 with a 44 percent reduction overall. Last year we were recognized for the second time with a top-10 placement in *Barron's* "List of 100 Most Sustainable U.S. Companies." We are not resting on these accomplishments and this year we intend to set a new, science-based target that will push our sustainability commitment even further. In addition, we plan to enhance our sustainability disclosure efforts in 2020. Currently, we are aligned to GRI and participate in CDP. By the end of the year, we also will begin to report through SASB and TCFD, which will give investors a better understanding of our sustainability initiatives.

After serving on Grainger's Board of Directors for more than three decades, Jim Slavik has elected not to stand for reelection to the Board in 2020. Jim, Chairman of Mark IV Capital, Inc., has been a trusted advisor and will be missed. I want to thank Jim for his dedication and service over the past 33 years.

As I look forward to 2020 and beyond, I am excited about the opportunities in front of us and I want to thank all Grainger team members for their continued hard work and dedication to our customers, our communities and each other. I am confident in our ability to drive long-term value for all stakeholders and expect to continue leading this industry for years to come.



D.G. Macpherson
Chairman of the Board and Chief Executive Officer
February 20, 2020

Returns Policy

Due to the unprecedented nature of the COVID-19 crisis and its impact on business operations and supply chains throughout the world, effective March 23, 2020, Grainger is modifying our Returns Policy as set forth below. We appreciate your understanding and cooperation during this period.

GRAINGER 30-DAY SATISFACTION GUARANTEE:

You can return your purchase for any reason for exchange or refund up to 30 days from date of invoice. Proof of purchase from Grainger is required for all returns. Products sold on a "Final Sale" basis cannot be returned.

Final Sale Products. Products sold on a "Final Sale" basis include:

- Custom items or designated Sourced Products
- Emergency response items
- Items Marked "Non-Cancellable" and/or "Non-Returnable"

Returns Process. If you need to return an item you can ship it back to Grainger, contact us directly or drop off the product to the nearest Grainger [branch location](#). When returning a product, please do the following:

- Carefully package the item(s) and include the packing slip with reason for return written on packing slip. If the packing slip is not available, please provide the purchase date, the original invoice number and the item number for the product.
- Indicate whether you would like a replacement product or a credit.
- Ship the package to the nearest Grainger [branch location](#).
- Please prepay shipping – Grainger does not accept Cash on Delivery (C.O.D.s).
- For assistance with returns, call Grainger Customer Care at 1-800-GRAINGER (472-4643). Or if calling from outside the U.S. (except Canada) call (608) 755-6560.

Grainger Cancellation Instructions. Due to the speed we fulfill your requests, we are unable to cancel orders for immediate shipment. If your order is backordered or not shipping for two or more business days, please contact [Customer Care](#) and we will do everything we can to accommodate your request. If you no longer need an item in your order, please return it.

Product returns on defective items after 30 days: please see [Grainger's Limited Warranty for Customers](#).

GRAINGER LIMITED WARRANTY LIMITED WARRANTY

A. ALL PRODUCTS SOLD ARE WARRANTED BY GRAINGER ONLY TO CUSTOMERS FOR:
(i) RESALE; OR (ii) USE IN BUSINESS, GOVERNMENT OR ORIGINAL EQUIPMENT MANUFACTURE.

B. GRAINGER WARRANTS PRODUCTS AGAINST DEFECTS IN MATERIALS AND WORKMANSHIP UNDER NORMAL USE FOR A PERIOD OF ONE (1) YEAR AFTER THE DATE OF INVOICE FROM GRAINGER, UNLESS OTHERWISE STATED. PROVIDED THAT GRAINGER ACCEPTS THE PRODUCT FOR RETURN DURING THE LIMITED WARRANTY PERIOD, GRAINGER MAY, AT ITS OPTION: (i) REPAIR; (ii) REPLACE; OR (iii) REFUND THE AMOUNT PAID BY THE CUSTOMER. CUSTOMER MUST RETURN THE PRODUCT TO THE APPROPRIATE GRAINGER BRANCH OR

AUTHORIZED SERVICE LOCATION, AS DESIGNATED BY GRAINGER, SHIPPING COSTS PREPAID. GRAINGER'S REPAIR, REPLACEMENT, OR REFUND OF AMOUNTS PAID BY CUSTOMER FOR THE PRODUCT, SHALL BE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY.

ALL PRODUCTS SOLD TO BUSINESS CUSTOMERS ARE WARRANTED BY GRAINGER ONLY FOR USE IN BUSINESS, GOVERNMENT, RESALE, OR ORIGINAL EQUIPMENT MANUFACTURE AGAINST DEFECTS IN WORKMANSHIP OR MATERIALS UNDER NORMAL USE FOR ONE (1) YEAR AFTER DATE OF PURCHASE FROM GRAINGER. AT GRAINGER'S OPTION, THE EXCLUSIVE REMEDY FOR ANY PRODUCT IT DETERMINES TO BE DEFECTIVE IN WORKMANSHIP OR MATERIALS WILL BE REPAIR, REPLACEMENT OR REFUND OF THE PURCHASE PRICE

WARRANTY DISCLAIMER

A. NO WARRANTY OR AFFIRMATION OF FACT, EXPRESS OR IMPLIED, OTHER THAN AS SET FORTH IN THE LIMITED WARRANTY STATEMENT ABOVE, IS MADE OR AUTHORIZED BY GRAINGER. GRAINGER DISCLAIMS ANY LIABILITY FOR CLAIMS ARISING OUT OF PRODUCT MISUSE, IMPROPER PRODUCT SELECTION, IMPROPER INSTALLATION, PRODUCT MODIFICATION, MISREPAIR OR MISAPPLICATION. GRAINGER EXPRESSLY DISCLAIMS ANY WARRANTY THAT THE PRODUCTS: (i) ARE MERCHANTABLE; (ii) FIT FOR A PARTICULAR PURPOSE; OR (iii) DO NOT AND WILL NOT INFRINGE UPON OTHERS' INTELLECTUAL PROPERTY RIGHTS.

B. GRAINGER MAKES NO WARRANTIES TO THOSE DEFINED AS CONSUMERS IN THE MAGNUSON-MOSS WARRANTY-FEDERAL TRADE COMMISSION IMPROVEMENT ACT.

LIMITATION OF LIABILITY

GRAINGER EXPRESSLY DISCLAIMS ANY LIABILITY FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES. GRAINGER'S LIABILITY IN ALL CIRCUMSTANCES IS LIMITED TO, AND SHALL NOT EXCEED, THE PURCHASE PRICE PAID FOR THE PRODUCT THAT GIVES RISE TO ANY LIABILITY.

INSTRUCTIONS FOR WARRANTY RETURNS

If the product was purchased on Grainger.com® [Email us](#) providing the purchase date, the original invoice number, the item number and a description of the defect. You may also call Grainger Customer Care at 1-888-361-8649 or visit your [local Grainger branch](#). You will need to provide the purchase date, the original invoice number, the item number and a description of the defect. For terms and conditions relating to Product Returns and Warranties, go to [Grainger Terms of Sale](#)



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
12/19/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | | |
|--|--|---------------------------------------|
| PRODUCER Aon Risk Services Central, Inc. Chicago IL Office 200 East Randolph Chicago IL 60601 USA | CONTACT NAME: | |
| | PHONE (A/C. No. Ext): (866) 283-7122 | FAX (A/C. No.): (800) 363-0105 |
| | E-MAIL ADDRESS: | |
| INSURED W. W. Grainger, Inc. and its subsidiaries, affiliates and divisions (see attached addendum for Named Insureds) 100 Grainger Parkway Lake Forest IL 60045 USA | INSURER(S) AFFORDING COVERAGE | |
| | NAIC # | |
| | INSURER A: Zurich American Ins Co | |
| | INSURER B: Illinois Union Insurance Company | |
| | INSURER C: | |
| | INSURER D: | |
| | INSURER E: | |
| | INSURER F: | |

COVERAGES**CERTIFICATE NUMBER:** 570079655703**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Limits shown are as requested

| INSR LTR | TYPE OF INSURANCE | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|-----------|----------|--|--------------------------|--------------------------|--|
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: | Y | | GL0554290807 | 01/01/2020 | 01/01/2021 | EACH OCCURRENCE \$10,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$10,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$10,000,000 GENERAL AGGREGATE \$10,000,000 PRODUCTS - COMP/OP AGG \$10,000,000 |
| A | <input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY | | | BAP 5542907 07 | 01/01/2020 | 01/01/2021 | COMBINED SINGLE LIMIT (Ea accident) \$2,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) |
| B | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$25,000 | | | XEUG27936155005 | 01/01/2020 | 01/01/2021 | EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 |
| A | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y/N N | N/A | WC554290407 AOS WC554290507 MA & WI | 01/01/2020 01/01/2020 | 01/01/2021 01/01/2021 | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE-EA EMPLOYEE \$1,000,000 E.L. DISEASE-POLICY LIMIT \$1,000,000 |
| A | Excess WC | | | EWS554290607 OH & WA SIR applies per policy terms & conditions | 01/01/2020 | 01/01/2021 | EL Each Accident \$1,000,000 EL Disease - Policy \$1,000,000 EL Disease - Ea Empl \$1,000,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Additional Insured(s) applies per attached form U-GL-1114-A CW (10/02) with respect to General Liability coverage, where required by written contract.

CERTIFICATE HOLDER**CANCELLATION**

| | |
|--|--|
| W. W. Grainger, Inc. and its subsidiaries, Affiliates and Divisions 100 Grainger Parkway Lake Forest IL 60045 USA | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. |
| | AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Central, Inc.</i> |





AGENCY CUSTOMER ID: 10768055

LOC #:

ADDITIONAL REMARKS SCHEDULE

Page _ of _

| | | |
|---|-----------|--|
| AGENCY Aon Risk Services Central, Inc. | | NAMED INSURED W.W. Grainger, Inc. and its |
| POLICY NUMBER See Certificate Number: 570079655703 | | |
| CARRIER See Certificate Number: 570079655703 | NAIC CODE | EFFECTIVE DATE: |

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 **FORM TITLE:** Certificate of Liability Insurance

Named Insureds

including Zoro Tools, Inc. and Fabory U.S.A., Ltd.

Policy Number
GLO 5542908-07

ENDORSEMENT

ZURICH AMERICAN INSURANCE COMPANY

Named Insured W.W. GRAINGER, INC. AND ALL

Effective Date: 01-01-20
12:01 A.M., Standard Time

Agent Name AON RISK SERVICES CENTRAL, INC.

Agent No. 01784-000

BLANKET ADDITIONAL INSURED

"WHO IS AN INSURED" IS AMENDED TO INCLUDE AS AN INSURED ANY PERSON OR ORGANIZATION FOR WHOM YOU HAVE AGREED UNDER CONTRACT OR AGREEMENT TO PROVIDE INSURANCE. HOWEVER, THE INSURANCE PROVIDED SHALL NOT EXCEED THE SCOPE OF COVERAGE AND/OR LIMITS OF THIS POLICY. NOTWITHSTANDING THE FOREGOING SENTENCE, IN NO EVENT SHALL THE INSURANCE PROVIDED EXCEED THE SCOPE OF COVERAGE AND/OR LIMITS REQUIRED BY SAID CONTRACT OR AGREEMENT.

ATTACHMENT B - COST PROPOSAL
EQUALIS GROUP - RFP # COG-2108
MAINTENANCE, REPAIR, AND OPERATIONS (MRO) SUPPLIES AND RELATED SERVICES & SOLUTIONS PROGRAM
COST PROPOSAL QUESTIONNAIRE

Instructions

There are two parts to **Attachment B - Cost Proposal** which are required to be completed in order to evaluate a Bidder's Cost Proposal.
Part 1 - Answer the questions below which provide an opportunity to add a narrative while describing various aspects of your Cost Proposal.
Part 2 - Complete an Excel workbook which includes all requirements outlined in **Section 2.3 of RFP - Equalis RFP NAME**.

IMPORTANT: This Excel workbook is provided as a courtesy to the Bidders. It is not a requirement to use this document when developing the Cost Proposal. Bidders have the freedom to develop their own Excel workbook to serve as their **Attachment B**.

Questions

- 1) Provide a narrative description of your pricing model identifying how the model works. Describe how the proposed pricing model is able to be audited by public sector agencies to ensure they are receiving contract pricing.
With a product selection of over 1 million individual products, auditing an agreement of this product breadth can be a challenging endeavor. Grainger does offer robust, standard reports which can assist customers in tracking purchases. In the event that reports are requested, Grainger will mutually agree with each individual customer as to frequency. Provide answer here.
- 2) Put an X in the green cell next to the statement that best describes the answer to the following question. The prices offered in your Cost Proposal are:
 - ☐ a) lower than what you offer other group purchasing organizations, cooperative purchasing organizations, or state purchasing departments.
 - ☐ b) equal to what you offer other group purchasing organizations, cooperative purchasing organizations, or state purchasing departments.
 - ☐ c) higher than what you offer other group purchasing organizations, cooperative purchasing organizations, or state purchasing departments.
 - ☒ d) not applicable. Please explain.
It is difficult to assess where this offer lies in light of Grainger's larger cooperatives. The scope, breadth and depth of Grainger's customer base across its commercial and government sectors, each with unique operational, fiscal and procurement needs which define customer specific pricing, discount and incentive offers cannot be compared to our offer herein.
For the most part, larger agreements are customized to the needs and priorities and requirements of the individual customer. Specifically, regarding prices, Grainger typically prices products for agreements by taking into consideration customer purchasing volume so this will have certainly an impact on pricing available. Pricing agreements based on volume can include the consideration of such factors of a customer's priorities for purchasing, terms of the agreement or RFP, number of awardees, composition of products, purchasing expectations, customer commitments for purchases, even the identification of specific products and the availability of manufacturer support which is often times based on volume. So typically, larger cooperatives would have more advantageous pricing because more purchase volume can be guaranteed, and more specific purchasing history is available. At this time, this is a unique offer due to the Equalis Plus component and the lack of past purchasing information which limits Grainger's ability to provide a more specific response.
- 3) Describe any quantity or volume discounts or rebate programs included in your Cost Proposal.
Rebates and incentives will be negotiated.

- 4) Propose an Alternative Method of Costing as it relates to pricing for products, services, or solutions not covered by catalog pricing, published price list, line item price list, automated system of pricing, R.S. Means, or that needs to be custom designed , developed, manufactured and/or produced to meet the requirements of an individual project or sole source due to the projects' or application's specifications, condition, and/or requirements.

Sourced products will be priced at time of quote.

- 5) Describe how cost associated with freight, shipping, and delivery are calculated.

Grainger will pay standard parcel ground freight charges.

Freight: FOB Destination (standard parcel ground freight) is paid by Grainger on all Catalog Products orders, unless otherwise stated, to Member's place of business anywhere in the contiguous United States. All other freight charges imposed by the freight carrier related to the shipment and for shipments and Sourced Product shall be paid by the Member, unless otherwise agreed to in writing by Grainger.



ATTACHMENT C: REQUIRED BIDDER INFORMATION & CERTIFICATIONS EQUALIS GROUP: MAINTENANCE, REPAIR, AND OPERATIONS (MRO) SUPPLIES AND RELATED SERVICES & SOLUTIONS PROGRAM

Purpose of this Attachment C: CCOG requires the following information about Bidders who submit proposals in response to any CCOG request for proposal ("RFP") in order to facilitate the execution of the master group purchasing agreement ("**Master Agreement**") with the winning supplier ("**Winning Supplier**"). CCOG reserves the right to reject a Bidder's proposal if a Bidder fails to provide this information fully, accurately, and by the deadline set by CCOG in RFP Section 1.3 – Anticipated Procurement Timetable. Further, some of this information (as identified below) **must** be provided in order for CCOG to accept and consider a Bidder's proposal. **Failure to provide such required information may result in a Bidder's proposal being deemed nonresponsive to this RFP.**

Instructions: provide the following information about the Bidder. Bidders may a) complete this document in Microsoft Word by completing the form fields, print this attachment, and sign it in the designated signature areas, b) complete this document using the form fields, print to .pdf, and provide certified electronic signatures in the designated signature areas, or c) print this attachment, complete it, and sign it in the designated signature areas. It is mandatory that the information provided is certified with an original signature (in **blue ink**, please) or signed using a certified electronic signature by a person with sufficient authority and/or authorization to represent Bidder. Bidders are to provide the completed and signed information and certifications in **Tab 1** of the Technical Proposal submitted to CCOG as described in RFP Section 4.2 – Format for Organization of the Proposal.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



Bidders must provide all the information outlined below

| | |
|---|--|
| 1. Equalis Group RFP Name: <u>RFP #COG-2108</u> | 2. Proposal Due Date: <u>November 5, 2020</u> |
| 3. Bidder Name: <u>W.W. Grainger, Inc.</u> <i>(legal name of the entity responding to RFP)</i> | 4. Bidder Federal Tax ID # or Social Security #: 36-1150280 |
| 5. Bidder Corporate Address: 100 Grainger Parkway Street Address 2 Lake Forest, IL 60045 | 6. Bidder Remittance Address <i>(or "same" if same as Item #5):</i> same Street Address 2 City, State Zip |

7. Print or type information about the Bidder representative/contact person authorized to answer questions regarding the proposal submitted by your company:

Bidder Representative: Mike Klotz
Representative's Title: Program Manager
Address 1: 357 Nicklaus Dr.
Address 2: Street Address 2
City, State Zip: Slidell, LA, 70458
Phone #: 504-382-0355
Fax #: NA
E-Mail Address: Mike.Klotz@grainger.com

8. Print or type the name of the Bidder representative authorized to address contractual issues, including the authority to execute a contract on behalf of Bidder, and to whom legal notices regarding contract termination or breach, should be sent (if not the same individual as in #7, provide the following information on each such representative and specify their function):

Bidder Representative: same
Representative's Title: Title
Address 1: Street Address 1
Address 2: Street Address 2
City, State Zip: City, State Zip
Phone #: Direct/Cell Phone #
Fax #: Fax #.
E-Mail Address: Email Address

9. Is this Bidder an Ohio certified Minority Business Enterprise ("MBE")? Yes ☐ No ☒

If yes, attach a copy of current certification to your proposal as an appendix in the third section of your proposal.

10. Mandatory Supplier Certifications:

CCOG may not enter into contracts with any suppliers who have been found to be ineligible for state contracts under specific federal or Ohio statutes or regulations. Bidders responding to any CCOG RFP MUST certify that they are NOT ineligible by signing each of the four statements below. Failure to provide proper affirming signature on any of these statements will result in a Bidder's proposal being deemed nonresponsive to this RFP.

I, Mike Klotz (insert signature of representative shown in Item #7 above), hereby certify and affirm that W.W. Grainger, Inc. (insert Bidder name as shown in Item #3 above), has not been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in transactions by the United States Department of Labor, the United States Department of Health and Human Services, or any other federal department or agency as set forth in 29 CFR Part 98, or 45 CFR Part 76, or other applicable statutes.

AND

I, Mike Klotz (insert signature of representative shown in Item #7 above), hereby certify and affirm that W.W. Grainger, Inc. (insert Bidder name as shown in Item #3 above), is in compliance with all federal, state, and local laws, rules, and regulations, including but not limited to the Occupational Safety and Health Act and the Ohio Bureau of Employment Services and the following:

- Not penalized or debarred from any public contracts or falsified certified payroll records or any other violation of the Fair Labor Standards Act in the last three (3) years;
- Not found to have violated any worker's compensation law within the last three (3) years;
- Not violated any employee discrimination law within the last three (3) years;
- Not have been found to have committed more than one (1) willful or repeated OSHA violation of a safety standard (as opposed to a record keeping or administrative standard) in the last three (3) years;
- Not have an Experience Modification Rating of greater than 1.5 (a penalty-rated employer) with respect to the Bureau of Workers' Compensation risk assessment rating; and
- Not have failed to file any required tax returns or failed to pay any required taxes to any governmental entity within the past three (3) years.

AND

I, Mike Klotz (insert signature of representative shown in Item #7 above) hereby certify and affirm that W.W. Grainger, Inc. (insert Bidder name as shown in Item #3 above), is not on the list established by the Ohio Secretary of State, pursuant to ORC Section 121.23, which identifies persons and businesses with more than one unfair labor practice contempt of court finding against them.

AND

I, Mike Klotz (insert signature of representative shown in Item #7 above) hereby certify and affirm that W.W. Grainger, Inc. (insert Bidder name as shown in Item #3, above), either is not subject to a finding for recovery under ORC Section 9.24, or has taken appropriate remedial steps required under that statute to resolve any findings for recovery, or otherwise qualifies under that section to enter into contracts with CCOG.

11. Supplemental Bidder Contract and Equal Employment Opportunity Information:

A. Provide data on Bidder employees both nationwide (inclusive of Ohio staff) and the number of Ohio employees:

| | <u>Nationwide:</u> | <u>Ohio Offices:</u> |
|----------------------------|--------------------|----------------------|
| Total Number of Employees: | <u>16,776</u> | <u>628</u> |



% of those who are Women: Please see Letter of Disclosure

% of those who are Minorities: Please see Letter of Disclosure

- B. If you are selected as the Winning Supplier and this RFP involves the provision of services to Equalis Group Members, will you subcontract any part of the work?

- ☐ NO -or-
☐ YES, but for less than 50% of the work -or-
☒ YES, for 50% or more of the work

- C. If any part of your proposal would be performed by any subcontractors, provide the following information on each subcontractor (additional pages may be added as needed):

Subcontractor Name: To be selected on a case by case basis depending upon scope of work

Street Address 1: Street Address 1

Street Address 2: Street Address 2

City, State Zip: City, State Zip

Work to be Performed: Description of Work

Estimated percentage of total proposal to be performed by subcontractors: <1 %
(Do NOT show dollar amounts here; show % of WORK sub-contractors will perform/provide). Define the part of the work that will be performed by each subcontractor.

Subcontractor's employee information (attach additional pages if needed):

Total Number of Employees: Nationwide: _____ Ohio Offices: _____
Subcontractors only engaged upon specific request

% of those who are Women: _____

% of those who are Minorities: _____

12. Bidder has reviewed the Model Master Agreement attached to the RFP as Attachment E, and if awarded a contract, ☐ Bidder will not (or) ☒ Bidder will request changes to the standard language and has marked the requested changes and returned the model document with this proposal for consideration by CCOG and Equalis Group, LLC. (All requested changes to Model Master Agreement contract language are subject to negotiation and CCOG and Equalis Group, LLC approval.)

13. Bidder has reviewed the Model Administration Agreement attached to the RFP as Attachment E, and if awarded a contract, ☐ Bidder will not (or) ☒ Bidder will request changes to the standard language and has marked the requested changes and returned the model document with this proposal for consideration by Equalis Group, LLC. (All requested changes to Model Administration Agreement contract language are subject to negotiation and Equalis Group, LLC approval.)

14. I Mike Klotz, (insert signature of representative shown in Item #7 above) hereby affirm that this proposal accurately represents the capabilities and qualifications of W.W. Grainger, Inc. (insert Bidder name as shown in item #3, above), and I hereby affirm that the cost(s) proposed to CCOG for the performance of services and/or provision of goods covered in this proposal in response to this CCOG RFP is a firm fixed price structure as described in the Cost Proposal, inclusive of all incidental as well as primary costs. (Failure to provide the proper affirming signature on this item may result in the disqualification of your proposal.)

15. Additional Documents:

CCOG makes every attempt to meet the varying legal requirements of public agencies across the country. The documents included in this section are intended to give our contracts the broadest geographic reach by meeting the procurement requirements of other states outside of Ohio.

15.1. Lobbying Certification

Submission of this certification is a prerequisite for making or entering into this transaction and is imposed by Section 1352, Title 31, U.S. Code. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to civil penalty of not less than ten thousand dollars (\$10,000) and not more than one hundred thousand dollars (\$100,000) for each such failure.

The undersigned certifies, to the best of his/her knowledge and belief, on behalf of Bidder that:

1. No Federal appropriated funds have been paid or will be paid on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all covered sub-awards exceeding one hundred thousand dollars (\$100,000) in Federal funds at all appropriate tiers and that all sub-recipients shall certify and disclose accordingly.

Mike Klotz
Signature of Bidder representative

15.2. Boycott Certification

Bidder must certify that during the term of any Agreement, it does not boycott Israel and will not boycott Israel. "Boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Mike Klotz
Signature of Bidder representative

15.3. Federal Funds Certification Form (EDGAR)

When a participating agency seeks to procure goods and services using funds under a federal grant or contract, specific federal laws, regulations, and requirements may apply in addition to those under state law. This includes, but is not limited to, the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200 (sometimes referred to as the "Uniform Guidance" or "EDGAR" requirements). All bidders submitting proposals must complete this Federal Funds Certification Form regarding bidder's willingness and ability to comply with certain requirements which may be applicable to specific participating agency purchases using federal grant funds. This completed form will be made available to Members for their use while considering their purchasing options when using federal grant funds. Members may also require Supplier Partners to enter into ancillary agreements, in addition to the contract's general terms and conditions, to address the member's specific contractual needs, including contract requirements for a procurement using federal grants or contracts.

For each of the items below, respondent should certify bidder's agreement and ability to comply, where applicable, by having respondents authorized representative complete and initial the applicable lines after each section and sign the acknowledgment at the end of this form. If a respondent fails to complete any item in this form, CCOG will consider the respondent's response to be that they are unable or unwilling to comply. A negative response to any of the items may, if applicable, impact the ability of a participating agency to purchase from the Supplier Partner using federal funds.

15.3.1. Supplier Partner Violation or Breach of Contract Terms

Contracts for more than the simplified acquisition threshold currently set at one hundred fifty thousand dollars (\$150,000), which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 USC 1908, must address administrative, contractual, or legal remedies in instances where Supplier Partners violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

Any contract award will be subject to Terms and Conditions of the Master Agreement, as well as any additional terms and conditions in any purchase order, participating agency ancillary contract, or Member construction contract agreed upon by Supplier Partner and the participating agency which must be consistent with and protect the participating agency at least to the same extent as the CCOG Terms and Conditions.

The remedies under the contract are in addition to any other remedies that may be available under law or in equity. By submitting a proposal, you agree to these Supplier Partner violation and breach of contract terms.

Does Supplier Partner agree? Please see Letter of Disclosure
(Initials of Authorized Representative)

15.3.2. Termination for Cause or Convenience

When a participating agency expends federal funds, the participating agency reserves the right to immediately terminate any agreement in excess of ten thousand dollars (\$10,000) resulting from this procurement process in the event of a breach or default of the agreement by Offeror in the event Offeror fails to: (1) meet schedules, deadlines, and/or delivery dates within the time specified in the procurement solicitation, contract, and/or a purchase order; (2) make any payments owed; or (3) otherwise perform in accordance with the contract and/or the procurement solicitation. Participating agency also reserves the right to terminate the contract immediately, with written notice to offeror, for convenience, if participating agency believes, in its sole discretion that it is in the best interest of participating agency to do so. Bidder will be compensated for work performed and accepted and goods accepted by participating agency as of the termination date if the contract is terminated for convenience of participating agency. Any award under this procurement process is not exclusive and participating agency reserves the right to purchase goods and services from other offerors when it is in participating agency's best interest.

Does Supplier Partner agree? No
(Initials of Authorized Representative)

15.3.3. Equal Employment Opportunity

Except as otherwise provided under 41 CFR Part 60, all participating agency purchases or contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 shall be deemed to include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

The equal opportunity clause provided under 41 CFR 60-1.4(b) is hereby incorporated by reference. Supplier Partner agrees that such provision applies to any participating agency purchase or contract that meets the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 and Supplier Partner agrees that it shall comply with such provision.

Does Supplier Partner agree? MK
(Initials of Authorized Representative)

15.3.4. Davis-Bacon Act

When required by Federal program legislation, Supplier Partner agrees that, for all participating agency prime construction contracts/purchases in excess of two thousand dollars (\$2,000), Supplier Partner shall comply with the Davis-Bacon Act (40 USC 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, Supplier Partner is required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determinate made by the Secretary of Labor. In addition, Supplier Partner shall pay wages not less than once a week.

Current prevailing wage determinations issued by the Department of Labor are available at www.wdol.gov. Supplier Partner agrees that, for any purchase to which this requirement applies, the award of the purchase to the Supplier Partner is conditioned upon Supplier Partner's acceptance of the wage determination.

Supplier Partner further agrees that it shall also comply with the Copeland "Anti-Kickback" Act (40 USC 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States". The Act provides that each Supplier Partner or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

Does Supplier Partner agree? No
(Initials of Authorized Representative)

15.3.5. Contract Work Hours and Safety Standards Act

Where applicable, for all participating agency contracts or purchases in excess of one hundred thousand dollars (\$100,000) that involve the employment of mechanics or laborers, Supplier Partner agrees to comply with 40 USC 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 USC 3702 of the Act, Supplier Partner is required to compute the wages of every mechanic and laborer on the basis of a standard work week of forty (40) hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of forty (40) hours in the work week. The requirements of 40 USC 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

Does Supplier Partner agree? No
(Initials of Authorized Representative)

15.3.6. Right to Inventions Made Under a Contract or Agreement

If the participating agency's Federal award meets the definition of "funding agreement" under 37 CFR 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance or experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

Supplier Partner agrees to comply with the above requirements when applicable.

Does Supplier Partner agree? No
(Initials of Authorized Representative)

15.3.7. Clean Air Act and Federal Water Pollution Control Act

Clean Air Act (42 USC 7401-7671q.) and the Federal Water Pollution Control Act (33 USC 1251-1387), as amended – Contracts and subgrants of amounts in excess of one hundred fifty thousand dollars (\$150,000) must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 USC 7401-7671q.) and the Federal Water Pollution Control Act, as amended (33 USC 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

When required, Supplier Partner agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act.

Does Supplier Partner agree? MK
(Initials of Authorized Representative)

15.3.8. Debarment and Suspension

Debarment and Suspension (Executive Orders 12549 and 12689) – A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1966 Comp. p. 189) and 12689 (3 CFR Part 1989 Comp. p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Supplier Partner certifies that Supplier Partner is not currently listed on the government-wide exclusions in SAM, is not debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier Partner further agrees to immediately notify the Cooperative and all Members with pending purchases or seeking to purchase from Supplier Partner if Supplier Partner is later listed on the government-wide exclusions in SAM, or is debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Does Supplier Partner agree? MK
(Initials of Authorized Representative)

15.3.9. Byrd Anti-Lobbying Amendment

Byrd Anti-Lobbying Amendment (31 USC 1352) – Supplier Partners that apply or bid for an award exceeding one hundred thousand dollars (\$100,000) must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. As applicable, Supplier Partner agrees to file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 USC 1352).

Does Supplier Partner agree? MK
(Initials of Authorized Representative)

15.3.10. Procurement of Recovered Materials

For participating agency purchases utilizing Federal funds, Supplier Partner agrees to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act where applicable and provide such information and certifications as a participating agency may require to confirm estimates and otherwise comply. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds ten thousand dollars (\$10,000) or the value of the quantity acquired during the preceding fiscal year exceeded ten thousand dollars (\$10,000); procuring solid waste management services in a manner that maximizes energy and resource recovery, and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Does Supplier Partner agree? No
(Initials of Authorized Representative)

15.3.11. Profit as a Separate Element of Price

For purchases using federal funds in excess of one hundred fifty thousand dollars (\$150,000), a participating agency may be required to negotiate profit as a separate element of the price. See, 2 CFR 200.323(b). When required by a participating agency, Supplier Partner agrees to provide information and negotiate with the participating agency regarding profit as a separate element of the price for a particular purchase. However, Supplier Partner agrees that the total price, including profit, charged by Supplier Partner to the participating agency shall not exceed the awarded pricing, including any applicable discount, under Supplier Partner's Group Purchasing Agreement.

Does Supplier Partner agree? MK
(Initials of Authorized Representative)

15.3.12. General Compliance and Cooperation with Members

In addition to the foregoing specific requirements, Supplier Partner agrees, in accepting any purchase order from a Member, it shall make a good faith effort to work with Members to provide such information and to satisfy such requirements as may apply to a particular participating agency purchase or purchases including, but not limited to, applicable recordkeeping and record retention requirements.

Does Supplier Partner agree? MK
(Initials of Authorized Representative)

15.3.13. Applicability to Subcontractors

Offeror agrees that all contracts it awards pursuant to the Contract shall be bound by the foregoing terms and conditions.

Does Supplier Partner agree? No
(Initials of Authorized Representative)



By signature below, I certify that the information in this form is true, complete, and accurate and that I am authorized by my company to make this certification and all consents and agreements contained herein.

W.W. Grainger, Inc.

Bidder Name

Mike Klotz

Signature of Authorized Company Official

Mike Klotz

Printed Name

Program Manager

Title

November 5, 2020

Date

16. Required Documents for Supplier Partners Intending to Do Business in New Jersey

16.1. Ownership Disclosure Form

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

Bidder Name: Please see attached page from the Proxy Statement

Street Address: Any documents related to New Jersey will be addressed directly with the customer

City, State Zip: Click or tap here to enter text.

Complete as appropriate:

I Click or tap here to enter text., certify that I am the sole owner of Click or tap here to enter text., 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 Click or tap here to enter text., a partner in Click or tap here to enter text., do hereby certify that the following is a list of all individual partners who own a 10 percent (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 percent (10%) or more of that corporation's stock or the individual partners owning 10% or greater interest in that partnership.

OR:

I Mike Klotz, 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 percent (10%) or more of the corporation's stock or the individual partners owning a 10 percent (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 |
|---|----------------------------------|------------|
| Please see attached page from the Proxy Statement | Click or tap here to enter text. | |
| Click or tap here to enter text. | Click or tap here to enter text. | |
| Click or tap here to enter text. | Click or tap here to enter text. | |
| Click or tap here to enter text. | Click or tap here to enter text. | |
| Click or tap here to enter text. | Click or tap here to enter text. | |

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

Authorized Signature and Title

11/05/20
Date

16.2. Non-Collusion Affidavit (to be completed and included with each proposal submitted to Members in NJ)

Bidder Name: NA at this time will address at time of purchase

Street Address:

City, State Zip:

State of New Jersey

County of Customer County

I, Your Name of the Your City in the County of Your County, State of Your State of full age, being duly sworn according to law on my oath depose and say that:

I am the Your Title of the firm of Bidder Name, the Bidder making the proposal for the goods, services, or public work specified under the attached proposal, and that I executed the said proposal with full authority to do so; that said respondent has not directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free, competitive bidding in connection with the above proposal, and that all statements contained in said bid proposal and in this affidavit are true and correct, and made with full knowledge that the Customer Name relies upon the truth of the statements contained in said bid proposal and in the statements contained in this affidavit in awarding the contract for the said goods, services, or public work.

I further warrant that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by:

Bidder Name

Authorized Signature

Title

Subscribed and sworn before me

this _____ day of _____, 20____

Notary Public of New Jersey

My commission expires _____, 20____

SEAL

16.3. Affirmative Action Affidavit

(P.L. 1975, C.127)

Bidder Name: _____ Enter Bidder Name

Street Address: _____ Enter Street Address

City, State Zip: _____ Enter City, State Zip

Bid 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)

Supplier Partners must submit with proposal:

1. A photocopy of their Federal Letter of Affirmative Action Plan Approval

OR

2. A photocopy of their Certificate of Employee Information Report

OR

3. A complete Affirmative Action Employee Information Report (AA302)

Public Work – Over Fifty Thousand Dollars (\$50,000) Total Project Cost:

Check One – _____

☐ No approved Federal or New Jersey Affirmative Action Plan. We will complete Report Form AA201-A upon receipt from the Customer Name, or

☐ 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.

Authorized Signature

P.L. 1995, c. 127 (N.J.A.C. 17:27)
MANDATORY AFFIRMATIVE ACTION LANGUAGE

PROCUREMENT, PROFESSIONAL & SERVICE CONTRACTS

During the performance of this contract, the Supplier Partner agrees as follows:

The Supplier Partner or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation. The Supplier Partner will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation. 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 forms of compensation; and selection for training, including apprenticeship. The Supplier Partner agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this non-discrimination clause.

The Supplier Partner or subcontractor, where applicable will, in all solicitations or advertisement for employees placed by or on behalf of the Supplier Partner, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation.

The Supplier Partner or subcontractor, where applicable, will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the Supplier Partner's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The Supplier Partner or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time and the Americans with Disabilities Act.

The Supplier Partner or subcontractor agrees to attempt in good faith to employ minority and female workers trade consistent with the applicable county employment goal prescribed by N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, C.127, as amended and supplemented from time to time or in accordance with a binding determination of the applicable county employment goals determined by the Affirmative Action Office pursuant to N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, C.127, as amended and supplemented from time to time.

The Supplier Partner or subcontractor agrees to inform in writing appropriate recruitment agencies in the area, including employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The Supplier Partner or subcontractor agrees to revise any of it testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the state of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

The Supplier Partner 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 Supplier Partner 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

16.4. Political Contribution Disclosure Form

Public Agency Instructions

This page provides guidance to public agencies entering into contracts with business entities that are required to file Political Contribution Disclosure forms with the agency. **It is not intended to be provided to Supplier Partners.** What follows are instructions on the use of form local units can provide to Supplier Partners that are required to disclose political contributions pursuant to N.J.S.A. 19:44A-20.26 (P.L. 2005, c. 271, s.2). Additional information on the process is available in Local Finance Notice 2006-1 (www.nj.gov/dca/lgs/lfnslfnmenu.shtml).

1. The disclosure is required for all contracts in excess of seventeen thousand five hundred dollars (\$17,500) that are **not awarded** pursuant to a "fair and open" process (N.J.S.A. 19:44A-20.7).
2. Due to the potential length of some Supplier Partner submissions, the public agency should consider allowing data to be submitted in electronic form (i.e., spreadsheet, pdf file, etc.). Submissions must be kept with the contract documents or in an appropriate computer file and be available for public access. **The form is worded to accept this alternate submission.** The text should be amended if electronic submission will not be allowed.
3. The submission must be **received from the Supplier Partner** and on file at least ten (10) days prior to award of the contract. Resolutions of award should reflect that the disclosure has been received and is on file.
4. The Supplier Partner must disclose contributions made to candidate and party committees covering a wide range of public agencies, including all public agencies that have elected officials in the county of the public agency, state legislative positions, and various state entities. The Division of Local Government Services recommends that Supplier Partners be provided a list of the affected agencies. This will assist Supplier Partners in determining the campaign and political committees of the officials and candidates affected by the disclosure.
 - a) The Division has prepared model disclosure forms for each county. They can be downloaded from the "County PCD Forms" link on the Pay-to-Play web site at www.nj.gov/dca/lgs/p2p. They will be updated from time-to-time, as necessary.
 - b) A public agency using these forms **should edit them to properly reflect the correct legislative district(s)**. As the forms are county-based, **they list all legislative districts** in each county. **Districts that do not represent the public agency should be removed from the lists.**
 - c) Some Supplier Partners may find it easier to provide a single list that covers all contributions, regardless of the county. These submissions are appropriate and should be accepted.
 - d) The form may be used "as-is", subject to edits as described herein.
 - e) The "Supplier Partner Instructions" sheet is intended to be provided with the form. It is recommended that the Instructions and the form be printed on the same piece of paper. The form notes that the Instructions are printed on the back of the form; where that is not the case, the text should be edited accordingly.
 - f) The form is a Word document and can be edited to meet local needs, and posted for download on web sites, used as an e-mail attachment, or provided as a printed document.

5. It is recommended that the Supplier Partner also complete a "Stockholder Disclosure Certification." This will assist the local unit in its obligation to ensure that Supplier Partner did not make any prohibited contributions to the committees listed on the Business Entity Disclosure Certification in the twelve (12) months prior to the contract. (See Local Finance Notice 2006-7 for additional information on this obligation) A sample Certification form is part of this package and the instruction to complete it is included in the Supplier Partner Instructions. **NOTE: This section is not applicable to Boards of Education.**

C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM

Supplier Partner Instructions

Supplier Partners 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 ten (10) days prior to the award of such a contract, the Supplier Partner shall disclose contributions to:

- 1) any State, county, or municipal committee of a political party,
- 2) any legislative leadership committee¹,
- 3) any continuing political committee (a.k.a., political action committee),
- 4) any candidate committee of a candidate for, or holder of, an elective office:
 - a) of the public entity awarding the contract,
 - b) of that county in which that public entity is located,
 - c) of another public entity within that county,
 - d) 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 three hundred dollars (\$300) per election cycle that were made during the twelve (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:

- 1) individuals with an "interest" ownership or control of more than ten percent (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,
- 2) all principals, partners, officers, or directors of the business entity or their spouses,
- 3) any subsidiaries directly or indirectly controlled by the business entity,
- 4) 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 Supplier Partner in identifying those public agencies whose elected official and/or candidate campaign committees are affected by the disclosure requirement. It is the Supplier Partner'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 Supplier Partner's submission and is disclosable to the public under the Open Public Records Act. The Supplier Partner 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.

¹ 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."



| | | | |
|------------------|----------------|------|----------|
| Contributor Name | Recipient Name | Date | \$Amount |
| Contributor Name | Recipient Name | Date | \$Amount |
| Contributor Name | Recipient Name | Date | \$Amount |
| Contributor Name | Recipient Name | Date | \$Amount |
| Contributor Name | Recipient Name | Date | \$Amount |
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| Contributor Name | Recipient Name | Date | \$Amount |
| Contributor Name | Recipient Name | Date | \$Amount |
| Contributor Name | Recipient Name | Date | \$Amount |

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

List of Agencies with Elected Officials Required for Political Contribution Disclosure
N.J.S.A. 19:44A-20.26

County Name:

State: Governor, and Legislative Leadership Committees

Legislative District #s:

State Senator and two members of the General Assembly per district.

County:

Freeholders

{County Executive}

County Clerk

Surrogate

Sheriff

Municipalities (Mayor and members of governing body, regardless of title):

USERS SHOULD CREATE THEIR OWN FORM, OR DOWNLOAD FROM WWW.NJ.GOV/DCA/LGS/P2P A COUNTY-BASED, CUSTOMIZABLE FORM.

16.5. Stockholder Disclosure Form

Name of Business:

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

OR

☐ I certify that no one stockholder owns ten percent (10%) or more of the issued and outstanding stock of the undersigned.

Check the box that represents the type of business organization:

- ☐ Partnership
- ☐ Corporation
- ☐ Sole Proprietorship
- ☐ 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: Stockholder Name

Name: Stockholder Name

Home Address:
Home Address

Home Address:
Home Address

Name: Stockholder Name

Name: Stockholder Name

Home Address:
Home Address

Home Address:
Home Address

Name: Stockholder Name

Name: Stockholder Name

Home Address:
Home Address

Home Address:
Home Address

Subscribed and sworn before me this ____ day of
_____, 2__.

(Affiant)

(Notary Public)

(Print name & title of affiant)

My Commission expires:

(Corporate Seal)

17. Required Documents for Supplier Partners Intending to Do Business in Arizona

17.1. Arizona Supplier Partner Requirements

AZ Compliance with Federal and state requirements. Supplier Partner agrees when working on any federally assisted projects with more than two thousand dollars (\$2,000.00) in labor costs, to comply with all federal and state requirements, as well as Equal Opportunity Employment requirements and all other federal and state laws, statutes, etc. Supplier Partner agrees to post wage rates at the work site and submit a copy of their payroll to the member for their files. Supplier Partner must retain records for three years to allow the federal grantor agency access to these records, upon demand. Supplier Partner also agrees to comply with the Arizona Executive Order 75-5, as amended by Executive Order 99-4.

When working on contracts funded with Federal Grant monies, Supplier Partner additionally agrees to comply with the administrative requirements for grants, and cooperative agreements to state, local and federally recognized Indian Tribal Governments.

AZ Compliance with workforce requirements. Pursuant to ARS 41-4401, Supplier Partner and subcontractor(s) warrant their compliance with all federal and state immigration laws and regulations that relate to their employees, and compliance with ARS 23-214 subsection A, which states, "...every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program".



CCOG reserves the right to cancel or suspend the use of any contract for violations of immigration laws and regulations. CCOG and its members reserve the right to inspect the papers of any Supplier Partner or subcontract employee who works under this contract to ensure compliance with the warranty above.

AZ Supplier Partner Employee Work Eligibility. By entering into this contract, Supplier Partner agrees and warrants compliance with A.R.S. 41-4401, A.R.S. 23-214, the Federal Immigration and Nationality Act (FINA), and all other Federal immigration laws and regulations. CCOG and/or Equalis Group members may request verification of compliance from any Supplier Partner or subcontractor performing work under this contract. CCOG and Equalis Group members reserve the right to confirm compliance. In the event that CCOG or Equalis Group members suspect or find that any Supplier Partner or subcontractor is not in compliance, CCOG may pursue any and all remedies allowed by law, including but not limited to suspension of work, termination of contract, suspension and/or debarment of the Supplier Partner. All cost associated with any legal action will be the responsibility of the Supplier Partner.

AZ Non-Compliance. All federally assisted contracts to members that exceed ten thousand dollars (\$10,000.00) may be terminated by the federal grantee for noncompliance by Supplier Partner. In projects that are not federally funded, respondent must agree to meet any federal, state or local requirements as necessary. In addition, if compliance with the federal regulations increases the contract costs beyond the agreed on costs in this solicitation, the additional costs may only apply to the portion of the work paid by the federal grantee.

Registered Sex Offender Restrictions (Arizona). For work to be performed at an Arizona school, Supplier Partner agrees that no employee or employee of a subcontractor who has been adjudicated to be a registered sex offender will perform work at any time when students are present, or reasonably expected to be present. Supplier Partner agrees that a violation of this condition shall be considered a material breach and may result in the cancellation of the purchase order at the Equalis Group member's discretion. Supplier Partner must identify any additional costs associated with compliance to this term. If no costs are specified, compliance with this term will be provided at no additional charge.

Offshore Performance of Work Prohibited. Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States.

Terrorism Country Divestments. In accordance with A.R.S. 35-392, CCOG and Equalis Group members are prohibited from purchasing from a company that is in violation of the Export Administration Act. By entering into the contract, Supplier Partner warrants compliance with the Export Administration Act.

The undersigned hereby accepts and agrees to comply with all statutory compliance and notice requirements listed in this document.

Signature of Authorized Representative

This will be addressed directly with the individual customer

OWNERSHIP OF GRAINGER STOCK

Security Ownership of Certain Beneficial Owners

The following table sets forth information concerning any person known to Grainger to beneficially own more than 5% of Grainger's common stock, as of December 31, 2019 except as otherwise noted below. The information in the table and the related notes are based on statements filed by the respective beneficial owners with the SEC pursuant to Sections 13(d) and 13(g) under the Securities Exchange Act of 1934, as amended.

| Name and Address of Beneficial Owner | Amount and Nature of Beneficial Ownership ⁽¹⁾ | Percent of Class |
|---|--|------------------|
| The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355 | 5,865,471 ⁽²⁾ | 10.88% |
| Susan Slavik Williams 4450 MacArthur Blvd., Second Floor Newport Beach, CA 92660 | 4,810,153 ⁽³⁾ | 8.96% |
| Longview Partners (Guernsey) Limited PO Box 559 Mill Court La Charroterie St Peter Port Guernsey GY1 6JG United Kingdom London EC4V 3RL | 4,106,146 ⁽⁴⁾ | 7.65% |
| BlackRock, Inc. 55 East 52 nd Street New York, NY 10055 | 3,182,616 ⁽⁵⁾ | 5.9% |

(1) Unless otherwise indicated, percentages calculated are based upon Grainger common stock outstanding as set forth in the statements on Schedule 13G or 13G/A filed by the respective beneficial owners with the SEC.

(2) Based on information provided in a Schedule 13G/A filed on February 12, 2020, The Vanguard Group has sole voting power with respect to 68,040 shares, shared voting power with respect to 13,273 shares, sole dispositive power with respect to 5,787,915 shares, and shared dispositive power with respect to 77,556 shares. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, Inc., beneficially owns 51,869 shares or 0.09% of the common stock outstanding of the Company as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., beneficially owns 41,180 shares or 0.07% of the common stock outstanding of the Company as a result of its serving as investment manager of Australian investment offerings. The Schedule 13G/A certifies that the securities were acquired in the ordinary course of business and not with the purpose or effect of changing or influencing the control of Grainger.

(3) Based on information provided in a Schedule 13G/A filed on March 5, 2020, Ms. Slavik Williams has sole voting power with respect to 4,801,811 shares, shared voting power with respect to 8,342 shares, sole dispositive power with respect to 3,166,051 shares and shared dispositive power with respect to 1,644,102 shares. Ms. Slavik Williams aggregate beneficial ownership of 4,810,153 shares excludes 783,743 shares held in trusts over which Ms. Slavik Williams has no dispositive or voting power. The 8.96% calculation is based on the number of shares shown to be outstanding as of January 31, 2020 on Grainger's Annual Report on Form 10-K filed on February 20, 2020. Ms. Slavik Williams, a Director nominee for election at the Annual Meeting, is the cousin of James D. Slavik, a current Director who is not standing for re-election at the Annual

Meeting. Neither Mr. Slavik nor Ms. Slavik Williams has any beneficial ownership of the other's shares.

(4)

Based on information provided in a Schedule 13G filed on February 11, 2020, Longview Partners (Guernsey) Limited, Longview Partners LLP, and Longview Partners (UK) Limited (collectively referred to hereafter as "Longview Partners")

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

W.W.Grainger, Inc.

2 Business name/disregarded entity name, if different from above

Grainger

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☒ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ► _____

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) **5**

Exemption from FATCA reporting code (if any) **D**

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

100 Grainger Parkway

6 City, state, and ZIP code

Lake Forest, IL 60045-5201

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

____ - ____ - _____

or

Employer identification number

3 6 - 1 1 5 0 2 8 0

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign
Here

Signature of
U.S. person ►

Joanne Chun Hughes

Date ►

1/3/20

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
 - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
 - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
 - Form 1099-S (proceeds from real estate transactions)
 - Form 1099-K (merchant card and third party network transactions)
 - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

THIS ADMINISTRATION AGREEMENT (this "Agreement"), effective as of **Month Day, Year** (the "Effective Date"), is entered into by and between **Winning Supplier**, a **State** corporation with its principal place of business at **street address, City, State Zip** ("**Winning Supplier**") and Equalis Group LLC, a Delaware limited liability company with its principal place of business at 5550 Granite Parkway, Suite 298, Plano, Texas 75024 ("**Equalis**"). Throughout this Agreement, Winning Supplier and Equalis are referred to interchangeably as in the singular "**Party**" or in the plural "**Parties**."

SECTION 1. RECITALS

A. The Cooperative Council of Governments, Inc. ("CCOG") serves as a lead public agency (a "**Lead Public Agency**") for Equalis Group ("**Equalis Group**"), a national cooperative purchasing organization, by publicly procuring master group purchasing agreements for products and services to be made available to Equalis Group members ("**Equalis Group Member**" or "**Member**").

B. CCOG issued request for proposal ("**RFP**") #**Number** dated **Month Day, Year** for contracting on behalf of Equalis Group Members for **definition of products and services solicited in the RFP** ("**Products & Services**") and awarded a contract to Winning Supplier.

C. CCOG, Equalis, and Winning Supplier entered into that certain master group purchasing agreement (the "**Master Agreement**") #**contract number** effective as of **Month Day, Year** to provide Products & Services to Equalis Group Members.

D. Equalis serves as the Contract Administrator of the Master Agreement on behalf of CCOG.

E. Equalis actively promotes Master Agreements to current and prospective Equalis Group Members (collectively "**Prospective Participants**") through a range of marketing, prospecting, and sales strategies, including, but not limited to, marketing and sales collateral development, direct mail, web marketing, electronic communications, attendance at events, Winning Supplier sales representative training, and Winning Supplier field sales support (collectively, "**Equalis Services**") as more fully defined in **Appendix B**.

F. Any Prospective Participant who purchases Products & Services from Winning Supplier subject to the Master Agreement shall be considered a "**Program Participant**".

G. Winning Supplier desires to promote and expand its operations and increase the sales of its Products & Services to public sector, ~~private sector~~, and non-profit organizations through Equalis Group.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree to the following terms and conditions:

SECTION 2. BUSINESS TERMS

2.1. **Defined Terms.** Any capitalized terms contained herein not defined in this Agreement shall have the same meaning as defined in the Master Agreement.

2.2. **Appendices.** Winning Supplier agrees to provide Products & Services to Program Participants as may be agreed to by the Parties in accordance with the specific terms and conditions set forth in the Master Agreement, this Agreement, and the appendices attached hereto and made a part of this Agreement (if one, an "**Appendix**" or more, "**Appendices**").

- (i) **Appendix A** defines Winning Supplier's reporting requirements.
- (ii) **Appendix B** sets forth the roles and responsibilities of the Parties.
- (iii) **Appendix C** defines the financial terms between the Parties.

2.3. **Terms in Appendices.** In all cases where the terms of this Agreement and any Appendices disagree, the terms in the Appendix shall control.

2.4. **Publicity & Joint Marketing.**

(a) **Publicity.** A Party may only issue press releases or other public announcements with respect to this Agreement with the prior, written consent of the other Party.

(b) **Joint Marketing / Logo & Name Use.** Pursuant to signing the applicable Winning Supplier's Logo and Trademark License Agreement, Winning Supplier authorizes Equalis to use Winning Supplier's trademarks, names, and logos as provided by Winning Supplier to Equalis. Equalis authorizes Winning Supplier to use Equalis' trademarks, names, and logos as provided by Equalis to Winning Supplier. Each Party's use of the other Party's trademarks, names, and logos will be limited to standard communication, including correspondence, newsletters, and website material, and joint marketing efforts, including, but not limited to, utilizing the same on correspondence, collateral, agreements, websites, newsletters, or other marketing materials promoting the Products & Services pursuant to the Master Agreement and this Agreement. Notwithstanding the foregoing, the Parties understand and agree that except as provided herein, neither Party shall have any right, title, or interest in the other Party's trademarks, names, and logos. Upon termination of this Agreement, each Party shall immediately cease use of the other Party's trademarks, names, and logos.

SECTION 3. TERMS & CONDITIONS

3.1. **Independent Contractors.** In the performance of this Agreement, Winning Supplier shall be an independent contractor to Equalis, and shall not be or act as, or be deemed to otherwise be an agent, employee, or representative of Equalis or any Member. Equalis shall be independent contractor to Winning Supplier, and shall not be or act as, or be deemed to be an agent, employee, or representative of Winning Supplier. Winning Supplier's employees will not be deemed to be Equalis employees or employees of any Member. Equalis employees will not be deemed to be Winning Supplier's employees. Nothing contained in this Agreement or an Appendix may be construed to be inconsistent with that relationship or status. Neither Party exercises direct control or supervision over the employees of the other Party and, in fact, each Party disavows any right to do so, and no Party in any way directs the operations of the other Party or the manner of the other Party's performance. No partnership, joint venture, or other relationship between the Parties or any Member is created hereby.

3.2. **Express Limitation of Equalis Liability.** With respect to any purchases of Products & Services by CCOG or any Program Participant pursuant to the Master Agreement, Equalis shall not be: (i) construed as a dealer, re-marketer, representative, partner, or agent of any type of the Winning Supplier, CCOG, or any Program Participant; (ii) obligated by, liable for, or in any way responsible for any order of Products & Services made by CCOG or any Program Participant or any employee thereof under the Master Agreement or for any payment required to be made with respect to such order for Products & Services; and (iii) obligated by, liable for, or in any way responsible for any failure by CCOG or any Program Participant to comply with procedures or requirements of applicable law or the Master Agreement or to obtain the due authorization and approval necessary to purchase Products & Services under the Master Agreement. Equalis makes no representation or guaranty with respect to any minimum purchases by CCOG or any Program Participant, whether individually or collectively, or any employee thereof under this Agreement or the Master Agreement. The terms of this section shall survive the termination of this Agreement.

3.3. **Term & Termination.** The Term of this Agreement is the same as the Term of the Master Agreement. This Agreement shall only be terminated, and shall be terminated, if and when the Master Agreement is terminated. Upon termination of the Master Agreement for any reason, Winning Supplier shall continue making Administrative Fee and other payments, as set forth in Appendix C, to Equalis that are generated by individual Program Participant's purchase of Products & Services for a period of either i) one (1) year from the date of termination, or ii) through the then current

expiration date of the Master Agreement, whichever is shorter, to the extent that Winning Supplier continues to generate revenue from each Program Participant's purchase of Products & Services following the termination of the Master Agreement.

3.4. **Audit of Winning Supplier.** Equalis, whether directly or through an independent auditor or accounting firm, shall have the right to request copies of directly applicable records to perform audits, including inspection of books, records, and computer data relevant to Winning Supplier's provision of Products & Services to Program Participants and payment of Administrative Fees to Equalis, to ensure that pricing, inventory, quality, process, and business controls are maintained; provided, however, that such inspections and audits will be conducted upon reasonable notice to Winning Supplier and so as not to unreasonably interfere with Winning Supplier's business or operations.

3.5. **Force Majeure.** This Agreement will be temporarily suspended during any period to the extent that either Party during that period is unable to carry out its obligations under this Agreement or the Appendices by reason of an Act of God or the public enemy, act of terrorism, fire, flood, labor disorder not caused by Winning Supplier, civil commotion, closing of the public highways not caused by Winning Supplier, government interference, government regulations, or any other event or occurrence beyond the reasonable control of the affected Party ("Event of Force Majeure"). Neither Party will have any liability to the other Party for a delay in performance nor failure to perform to the extent this Agreement or any Appendix is so temporarily suspended; provided that nothing contained herein shall apply to payment obligations with respect to obligations which have already been performed under this Agreement. Additionally, Winning Supplier shall not be liable for any delay in, or impairment of, performance resulting in whole or in part from any force majeure event, including but not limited to acts of God, labor disruptions, acts of war, acts of terrorism (whether actual or threatened), governmental decrees or controls, insurrections, epidemics, quarantines, shortages, communication or power failures, fires, accidents, explosions, inability to procure or ship product or obtain permits and licenses, inability to procure supplies or raw materials, severe weather conditions, catastrophic events, or any other circumstance or cause beyond the reasonable control of Winning Supplier in the conduct of its business.

3.6. **Notices.** All notices, claims, certificates, requests, demands, and other communications required or permitted hereunder ("Notice") must be in writing and will be deemed given to the addresses set forth herein (a) when delivered personally to the recipient, (b) upon delivery by reputable overnight courier service (charges prepaid), or (c) upon delivery or refusal of delivery by certified or registered mail, return receipt requested, and addressed to the intended recipient. The Parties agree that day-to-day business communications, including notification of a change of address or revisions to any Appendix, may be made via electronic communication, including email.

3.7. **Addresses for Notices.** This section may be modified at any time by either Party providing the other Party with written Notice, including via email, of a change of address or addition or deletion to the individuals who will be copied on all Notices.

a. If to Winning Supplier:

Winning Supplier
Attn: Name, Title
Street Address 1
Street Address 2
City, State Zip

and with copy to:

W.W. Grainger, Inc. Company Name
Attn: Name, Title General Counsel
Street Address 1 B4
100 Grainger Parkway Street Address 2
Lake Forest, IL 61045-5201 City, State Zip

b. If to EQUALIS:

Equalis Group LLC
Attn: Eric Merkle, SVP
5550 Granite Parkway, Suite 298
Plano, Texas 75024

3.8. **Waiver.** Other than the rights and obligations with respect to payment provided by this Agreement, waiver by either Party of or the failure of either Party hereto to enforce at any time its rights with regard to any breach or failure to comply with any provision of this Agreement by the other Party may not be construed as, or constitute, a continuing waiver of such provision, or a waiver of any other future breach of or failure to comply with the same provision or any other provision of this Agreement.

3.9. **Governing Law; Invalidity.** For Winning's supplier's performance within the State of Ohio, ~~This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Ohio without regard to rules of conflict of laws. If any provision of this Agreement is declared unlawful or unenforceable by judicial determination or performance, then the remainder of this Agreement shall continue in force as if the invalidated provision did not exist. Any suits filed by either Party pursuant to this Agreement shall be brought in a court of competent jurisdiction located in Cuyahoga County, Ohio. In the event either Party initiates a suit and that suit is adjudicated by a court of competent jurisdiction, the prevailing Party shall be entitled to reasonable attorney's fees and costs from the non-prevailing Party in addition to any other relief to which the court determines the prevailing Party is entitled or awarded.~~

3.10. **Modification.** No release, discharge, abandonment, waiver, alteration, or modification of any of the provisions of this Agreement, or any of the Appendices incorporated herein, shall be binding upon either Party unless set forth in a writing signed by authorized representatives of the Parties.

3.11. **Assignment.** This Agreement and the rights and obligations hereunder may not be assignable by either Party hereto without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed, provided, ~~however, that either Party may assign its respective rights and obligations under this Agreement without the consent of the other Party in the event either Party shall hereafter effect a corporate reorganization, consolidation, merger, merge into, sale to, or a transfer of all or substantially all of its properties or assets to another entity. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors and assigns.~~ Any instrument purporting to make an assignment in violation of this section shall be null and void. This Agreement may be extended to additional entities affiliated with either Party upon the agreement of the other Party. No such extension will relieve the extending Party of its rights and obligations under this Agreement.

3.12. **No Third-Party Beneficiaries; Survival of Representations.** This Agreement is made solely for the benefit of the Parties to it, and no other persons will acquire or have any right under or by virtue of this Agreement. Except as otherwise provided herein, all representations, warranties, covenants, and agreements of the Parties shall remain in full force and effect regardless of any termination of this Agreement, in whole or in part.

3.13. **Entire Agreement.** The Master Agreement and this Agreement, together with all attachments, appendices, and exhibits hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral or written representations and agreements with regard to the same subject matter. The Parties acknowledge that this Agreement has been negotiated and incorporates their collective agreement as to the provisions to be contained herein. Therefore, no presumption will arise giving benefit of interpretation by virtue of authorship of any provision of this Agreement, and any ambiguity may not be construed for or against any Party.

3.14. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original. For purposes of this Agreement, a facsimile, scanned, or electronic signature will be deemed an original signature.

3.15. **Titles, Headings & Recitals.** The Preamble to this Agreement is hereby incorporated herein and made part of this Agreement. The Recitals stated within this Agreement are deemed to be a part of this Agreement. The titles and headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not constitute a part hereof or affect in any way the meaning or interpretation of this Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

WINNING SUPPLIER

By: _____
Name: _____
As: _____
Date: _____

EQUALIS GROUP LLC

By: _____
Name: Stephen M. Hull
As: CEO
Date: _____

APPENDIX A: WINNING SUPPLIER REPORTING REQUIREMENTS

This Appendix may be modified at any time with the mutual written consent of the Parties, including via email.

Winning Supplier shall electronically provide Equalis with a detailed line item monthly report showing the dollar volume of all member Products & Services sales under the contract for the previous month. Reports shall be sent via e-mail to Equalis offices at Reporting@EqualisGroup.org. Reports are due on the ~~fifteenth (15th)~~ forty-fifth-(45th) day after the end of the ~~previous~~ month. It is the responsibility of Winning Supplier to collect and compile all sales under the Master Agreement from Program Participants and submit one (1) monthly report. Fields below marked as *required indicate a required field. All other fields are preferred, but not required: If the Equalis Member ID data is provided to Grainger, Grainger can supply the report data as specified below. The parties will mutually agree on the reporting format during negotiations.

| | |
|------------------|--|
| Member Data | Equalis Member ID |
| | Vendor Customer Number *required (or Equalis Member ID) |
| | Customer Name *required |
| | Customer Street Address *required |
| | Customer City *required |
| | Customer Zip Code *required |
| | Customer State *required |
| Distributor Data | Distributor Name |
| | Distributor ID |
| | Distributor Street Address |
| | Distributor City |
| | Distributor Zip Code |
| | Distributor State |
| Product Data | Product Category level 1 |
| | Product Category level 2 (Where available or applicable) |
| | Product Category level 3 (Where available or applicable) |
| | Distributor Product Number |
| | Manufacturer Product Number |
| | Product Description |
| | Product Brand Name |
| | Product packaging Unit of Measure level 1 |
| | Product packaging Unit of Measure level 2 |
| | Product packaging Unit of Measure level 3 |
| Spend Data | Purchase Unit of Measure |
| | Purchase Quantity |
| | Distributor Landed Cost Total \$ (without deviations) |
| | Distributor Landed Cost Total \$ (with mfr deviations) |
| | Customer Purchase Total \$ *required |
| | Admin Fee % *required |
| | Admin Fee \$ *required |

APPENDIX B: ROLES & RESPONSIBILITIES

This Appendix defines the roles and responsibilities of Equalis and Winning Supplier under this Agreement. This Appendix may be modified at any time with the mutual written consent of the Parties, including via email.

1. Equalis Services.

1.1. Winning Supplier Sales Representative Training. Equalis will develop, as appropriate and subject to Winning Supplier approval, various sales training materials, sales tools, and marketing collateral to promote the Master Agreement and Winning Supplier's Products & Services. Equalis, as appropriate, will i) conduct periodic sales trainings with Winning Supplier sales representatives assigned to sell Products & Services, ii) provide sales representatives with marketing collateral and sales tools to utilize with sales prospects, with particular focus on the procurement process that led to the establishment of the Master Agreement, the legal ability for sales prospects in any state to purchase Products & Services through the Master Agreement without having to conduct their own bid or RFP process, and the key differentiators in the design of this program with Winning Supplier, and iii) attend at least one Winning Supplier company-wide sales and/or leadership meeting per year.

1.2. Sales Support. Equalis will engage in Winning Supplier sales efforts as agreed by the Parties through participating in i) individual sales calls, ii) joint sales calls, iii) communications and customer service, iv) discussions and communication with sales prospects during the sales process to address questions relating to the procurement process, legal authority to purchase through the Master Agreement, and program design, v) trainings for Equalis Members' teams, vi) regular business reviews to monitor Program success, and vii) general contract administration.

1.3. Marketing. ~~After approval of marketing materials by Winning Supplier,~~ Equalis will incorporate ~~information such materials~~ about the Products & Services into Equalis Group's website and general collateral materials. Equalis and Winning Supplier will jointly develop and approve marketing materials to promote Products & Services, such as website content, brochures and collateral, talking points, press releases, and correspondence. Equalis will market the Products & Services to Prospective Participants as part of Equalis' ongoing marketing activities through Equalis Group; these marketing efforts may consist of a combination of i) general marketing of all of Equalis Group's master group purchasing agreements, including the Master Agreement and Winning Supplier's Products & Services, ii) marketing of Winning Supplier's Products & Services specifically and/or as part of a package of selected master group purchasing agreements to targeted Prospective Participants, and iii) attending trade shows, conferences, and meetings.

1.4. Winning Supplier's Reports: ~~Winning Supplier's reports are the product of immense financial company investment and the reports, the report format, and the report data are confidential and proprietary, trade secret information and material which cannot be disclosed to third parties.~~

2. Winning Supplier Roles & Responsibilities.

As a condition to Winning Supplier entering into the Master Agreement, ~~which is available to all Public Sector Entities,~~ Winning Supplier must make certain representations, warranties, and covenants to Equalis designed to ensure the success of the Master Agreement for all Prospective Participants, ~~sales prospects,~~ and Winning Supplier.

2.1. Equalis Group Membership Agreement. ~~Pursuant to the mutually agreed upon Marketing Commitment Plan described in Section 2.4 below, in conjunction with the provision of Customer Agreements to Prospective Participants and/or initiating the sale of Products & Services to Prospective Participants not required to enter into Customer Agreements,~~ Winning Supplier will provide the Equalis Group Master Intergovernmental

Cooperative Purchasing Agreement ~~(which at this time is still subject to review, negotiation and approval)~~ (whether in hard copy, electronically, or via www.EqualisGroup.org) ~~and encourage any Prospective Participants subject to the Master Agreement who have not already joined Equalis Group to join Equalis Group in conjunction with executing Winning Supplier's Customer Agreements and/or beginning to purchase Products & Services from Winning Supplier to ensure that Winning Supplier and each Program Participant are in full compliance with applicable state procurement statutes.~~

Commented [KJ1]: Grainger cannot take the responsibility for customer's compliance responsibilities.

2.2. Corporate Commitment. Winning Supplier commits that i) the Master Agreement has received all necessary corporate authorizations and support of Winning Supplier's executive management, ii) the Master Agreement will be promoted to Public Sector Entities in the geographies defined in the ~~Master Agreement, including any existing customers, Marketing Commitment Plan (Section 2.3) and Winning Supplier will transition existing customers, upon their request, to the Master Agreement,~~ and iii) Winning Supplier will identify an executive corporate sponsor and an ~~separate national account Program m~~anager that will be responsible for the overall management of the Master Agreement and this Agreement.

2.3. Sales Commitment. Winning Supplier commits to ~~aggressively~~ market the Master Agreement as a market strategy in the public sector and that its sales force will be trained, engaged, and committed to offering the Master Agreement to Public Sector Entities through Equalis Group in the geographies defined in the ~~Master Agreement~~Marketing Commitment Plan (Section 2.3). Winning Supplier commits that all sales under the Master Agreement will be accurately and timely reported to Equalis. Winning Supplier also commits that its sales force will be compensated, including sales incentives, for sales to Program Participants under the Master Agreement in a consistent ~~or better~~ manner compared to sales to Public Sector Entities if Winning Supplier were not awarded the Master Agreement. Supplier will make available to interested Prospective Participants such price lists or quotes as may be necessary for such Prospective Participants to evaluate potential purchases of Products & Services under the Master Agreement.

2.4. Marketing Commitment. Winning Supplier commits to work with Equalis to develop a sales and marketing plan ("Plan")~~to be mutually approved by the parties in writing~~ within the first ninety (90) days of the Master Agreement Effective Date. The Plan may include, but is not limited to, the following:

2.4.1. Issuing co-branded press release

2.4.2. Publishing Master Agreement details and contact information on both Equalis Group and Winning Supplier's websites

2.4.3. Scheduling and holding training on the Master Agreement for the sales teams of both Equalis Group and Winning Supplier

2.4.4. Jointly participating in national and regional conferences

2.4.5. Jointly attending national and regional Equalis Group Member networking events

2.4.6. Designing, publishing, and distributing co-branded marketing materials

2.4.7. Engaging in ongoing marketing and promotion of the Master Agreement for the entire Term of the Master Agreement (e.g., developing and presenting case studies, collateral pieces, and presentations)

APPENDIX C: FINANCIAL TERMS

This Appendix may be modified at any time with the mutual written consent of the Parties.

1. Administrative Fee.

On or before the ~~fifteenth~~ forty-fifth (45th) ~~day of following~~ each month, Winning Supplier shall remit to Equalis an administrative fee payment (the "**Administrative Fee**") of ~~written number~~ percent (number%) to be negotiated by the parties upon mutual agreement of the total Winning Supplier revenue (the "**Equalis Group Spend**" or "**Spend**") invoiced to Program Participants during the prior calendar month. "Spend" shall mean the cumulative purchases of Products & Services by Program Participants under the Master Agreement net of taxes, shipping costs, returns, and credits. ~~All Administrative Fees not paid when due shall bear interest at a rate equal to the lesser of one and one half percent (1.5%) per month or the maximum rate permitted by law until paid in full.~~

2. Case-by-Case Administrative Fee Adjustments.

The Parties understand and acknowledge that Winning Supplier may have to provide aggressive deviated pricing on a case-by-case basis to win certain opportunities with Prospective Participants when those opportunities represent a sufficiently large Spend and/or are highly competitive. In such situations, Winning Supplier may request Equalis accept a reduced Administrative Fee. The Parties agree to evaluate each such situation as it arises and utilize best efforts to establish an adjusted Administrative Fee rate upon mutual written agreement (including via email) of the Parties.

3. Rebates or Other Payments.

Insert rebate or other payment language as agreed. ~~Rebate or Administrative Fee to be negotiated.~~

This Agreement entered into as of the **date** of **Month** in the year of **year**.

MASTER AGREEMENT

between

Cooperative Council of Governments
6001 Cochran Road, Suite 333
Cleveland, Ohio 44139

and

Winning Supplier
Street Address 1
Street Address 2
City, State Zip

and

Equalis Group LLC
5550 Granite Parkway, Suite 298
Plano, Texas 75024

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THIS MASTER COOPERATIVE PURCHASING AGREEMENT (this "**Master Agreement**"), effective as of **Month Day, Year** (the "**Effective Date**"), is entered into by and between The Cooperative Council of Governments, Inc., an Ohio non-profit corporation organized as a regional council of governments under Chapter 167 of the Ohio Revised Code, with its principal place of business at 6001 Cochran Road, Suite 333, Cleveland, Ohio 44139 ("**CCOG**"), Winning Supplier, a **State** corporation with its principal place of business at **street address, City, State Zip** ("**Winning Supplier**" or "**Grainger**"), and Equalis Group LLC, a Delaware limited liability company with its principal place of business at 5550 Granite Parkway, Suite 298, Plano, Texas 75024 ("**Equalis**"). Throughout this Master Agreement, CCOG, Winning Supplier, and Equalis are referred to interchangeably as in the singular "**Party**" or in the plural "**Parties**."

SECTION 1. RECITALS

A. CCOG is a Council of Governments formed under Chapter 167 of the Ohio Revised Code and established for the purpose of (a) developing and implementing certain sound business practices and processes as shared services to be made available to its members, and (b) serving as a lead public agency (a "**Lead Public Agency**") for Equalis Group ("**Equalis Group**"), a national cooperative purchasing organization, by publicly procuring Master Agreements for products and services to be made available to current and prospective Equalis Group members ("**Equalis Group Member**" or "**Member**").

B. Equalis is the third-party procurement administrator for and duly authorized agent of CCOG, and in that role manages the procurement, marketing, sales, reporting, and financial activities of, for, and on behalf of CCOG at the direction and with the authorization of the CCOG Board of Directors.

C. To the extent that the laws of a state, region, territory, and/or country permit, any public sector entity may join Equalis Group as a Member. The term "**Public Sector Entities**" includes, but is not limited to, political subdivisions, municipal corporations, counties, townships, villages, school districts, special districts, public institutions of higher education or training, units of government, state/regional/territorial agencies, state/regional/territorial governments, federal/national agencies, federal/national governments, and other entities receiving financial support from tax monies and/or public funds.

D. Any organization that is exempt from federal income tax under **Section 501(c)(3)** of the IRS Code, and any other entity if permitted under the IRS Code and other applicable law, including for-profit companies, may also join Equalis Group as a Member.

E. Equalis Group makes its Master Agreements available through groups and associations ("**Association Partners**") that contract with Equalis for the purpose of providing additional benefits to the members of such Association Partners.

F. Members, Association Partners, and Association Partners' members are referred to throughout this Master Agreement as Equalis Group participants ("**Equalis Group Participants**").

G. CCOG issued request for proposal ("**RFP**") **#Number** dated **Month Day, Year** for contracting on behalf of Equalis Group Participants for **definition of products and services solicited in the RFP** ("**Products & Services**") and awarded a contract to Winning Supplier as the lowest responsive and responsible bidder.

H. Winning Supplier desires to promote and expand its operations and increase the sales of its Products & Services to public sector, ~~private sector,~~ and non-profit organizations through Equalis Group.

I. CCOG and Equalis agree to make the Products & Services from Winning Supplier available to Equalis Group Participants and Winning Supplier agrees to provide the same to Equalis Group Participants who purchase Products & Services ("**Program Participants**") subject to the terms of this Master Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree to the following terms and conditions:

SECTION 2. BUSINESS TERMS

2.1. **Appendices.** Winning Supplier agrees to provide Products & Services to Program Participants as may be agreed to by the Parties in accordance with the specific terms and conditions set forth in this Master Agreement and the appendices attached hereto and made a part of this Master Agreement (if one, an "Appendix" or more, "Appendices").

- (i) **Appendix A** defines the Term of this Master Agreement and Addresses for Notices.
- (ii) **Appendix B** sets forth the Products & Services and pricing available to Program Participants under this Master Agreement.

2.2. **Terms in Appendices.** In all cases where the terms of this Master Agreement and any Appendices disagree, the terms in the Appendix shall control.

2.3. **Utilization of Products & Services.** Purchases of the Products & Services from Winning Supplier may only be made by any Equalis Group Participant upon execution of such credit applications, forms, agreements, appendices, or other documentation ("Customer Agreements") as mutually agreed upon by Winning Supplier and Equalis.

2.4. **Personnel & Equipment.** The Parties agree that the number and types of any subcontractors, personnel, or specialized equipment which may be required to furnish Products & Services to Program Participants will be determined by Winning Supplier. Winning Supplier agrees to engage the number and types of subcontractors, personnel, and/or specialized equipment necessary to furnish the types of Products & Services as specified in **Appendix B** to all Program Participants throughout the Term, as defined in **Appendix A**, of this Master Agreement and any Customer Agreement.

2.5. **Rates & Charges.** The rates, fees, and charges to be charged to and paid by Program Participants for Products & Services are set forth in **Appendix B**. Winning Supplier agrees that there are no other applicable rates, fees, charges, or other monetary incentives for Products & Services except those set forth in **Appendix B**.

SECTION 3. TERMS & CONDITIONS

3.1. **Independent Contractors.** In the performance of this Master Agreement, Winning Supplier shall be an independent contractor to CCOG and Equalis, and shall not be or act as, or be deemed to otherwise be an agent, employee, or representative of CCOG, Equalis, or any Equalis Group Participant. CCOG and Equalis shall be independent contractors to Winning Supplier, and shall not be or act as, or be deemed to be agents, employees, or representatives of Winning Supplier. Winning Supplier's employees will not be deemed to be CCOG's and/or Equalis's employees or employees of any Equalis Group Participant, and CCOG's and Equalis's employees will not be deemed to be Winning Supplier's employees. Nothing contained in an Appendix or this Master Agreement may be construed to be inconsistent with that relationship or status. No Party exercises direct control or supervision over the employees of the other Parties and, in fact, each Party disavows any right to do so, and no Party in any way directs the operations of the other Parties or the manner of the other Parties' performance. No partnership, joint venture, or other relationship between the Parties or any Equalis Group Participant is created hereby.

3.2. **Operational Control.**

- (a) **Winning Supplier Control.** As between the Parties, Winning Supplier shall have sole and exclusive control over the manner in which Winning Supplier and its employees, agents, subcontractors, and

suppliers perform its responsibilities under this Agreement. Winning Supplier shall engage, employ, or subcontract with such individuals or other entities as it may deem necessary in connection therewith, provided, however, that Winning Supplier furnishes the types and quantities of Products & Services specified in **Appendix B** to all Program Participants purchasing Products & Services throughout the Term of this Master Agreement and Winning Supplier executes its roles and responsibilities in accordance with any Customer Agreements. Such individuals shall not be considered employees or subcontractors of CCOG, Equalis, or any Equalis Group Participant, and shall be subject to employment or engagement, and discharge, discipline, and control solely and exclusively by Winning Supplier.

(b) **Equalis Control.** As between the Parties, Equalis shall have sole and exclusive control over the manner in which Equalis and its parent company, employees, agents, subcontractors, and suppliers perform its responsibilities under this Master Agreement. Equalis shall engage, employ, or subcontract with such individuals or other entities as it may deem necessary in connection therewith. Such individuals shall not be considered employees or subcontractors of CCOG, Winning Supplier, or any Equalis Group Participant, and shall be subject to employment or engagement, and discharge, discipline, and control solely and exclusively by Equalis.

(c) **Taxes.** Except as otherwise specified herein, each Party shall be solely responsible for the payment of any and all wages and fringe benefits, local, state, and federal payroll taxes or contribution of taxes for unemployment insurance, pensions, workers' compensation, and other Social Security and related protection with respect to those employees engaged by that Party pursuant to the performance of this Master Agreement. Each Party will make and submit, in its name, all reports and payments required by federal, state, or local laws related to its employees, agents, subcontractors, and suppliers.

3.3. **Technical Systems; Intellectual Property.** Winning Supplier shall retain title to its proprietary systems and methodologies used in connection with the delivery of Products & Services during the course of this Master Agreement, including, but not limited to, descriptions of the systems or methodologies, document templates, and/or project tools and software, whether owned by Winning Supplier or licensed to Winning Supplier by a third Party and incorporated into any sale of Products & Services ("**Winning Supplier Systems and Methods**"). As needed, Winning Supplier shall grant a limited license to all Program Participants subject to this Master Agreement to use Winning Supplier's Systems & Methods during the Term of this Master Agreement and for the duration of any Customer Agreements established between Winning Supplier and a Participant to purchase Products & Services subject to the terms of this Master Agreement until such Customer Agreements expire or are terminated.

3.4. **Confidentiality.**

(a) **Obligation.** The nature and details of the business relationship established by this Master Agreement, and the business information regarding the other Party(ies) (the "**Disclosing Party**") to which a Party(ies) (the "**Receiving Party**") may become privy during the Term of this Master Agreement (collectively, the "**Information**") constitute confidential and proprietary information, the disclosure, copying, or distribution of which could result in competitive harm to the Disclosing Party. Each Party agrees to maintain the other Parties' Information in the strictest confidence and agrees not to disclose, copy, or distribute the other Parties' Information, whether orally or in writing, directly or indirectly, in whole or in part, except to those of the Receiving Party's employees, agents, subcontractors, and suppliers with a need to know the Information. The foregoing will not limit a Receiving Party, for purposes of marketing, from informing actual or potential Equalis Group Participants of the existence of a contractual relationship between the Parties. The Parties further agree that they will require that all of their employees, agents, subcontractors, and suppliers abide by the terms of these confidentiality obligations. The confidentiality obligations set forth in this section will continue in effect for the Term of this Master Agreement and for a period of two (2) years after the date this Master Agreement is terminated or expires.

(b) **Exceptions.** Nothing herein will apply to any information (a) which is or becomes generally available to the public other than as a result of a disclosure by a Receiving Party or its representatives, (b)

which was available on a non-confidential basis prior to its disclosure by the Disclosing Party or its representatives, (c) which becomes available to a Receiving Party on a non-confidential basis from a source other than the Disclosing Party or its representatives, provided that such source is not known to be subject to any prohibition against transmitting the information, (d) which is disclosed pursuant to an order of court; provided that in the event that proprietary information is disclosed or threatened to be disclosed pursuant to this clause (d), the Receiving Party will give the original Disclosing Party prompt, written Notice, as hereinafter defined, of such threatened disclosure and the right to defend against such disclosure, at Disclosing Party's expense, and provided further that the original Receiving Party will cooperate reasonably in such defense, or (e) which is subject to a Freedom of Information Act Request or other public records request to which a Party is, or may be, required to respond by applicable law.

3.5. Indemnification.

(a) **Winning Supplier Indemnification.** Except as otherwise provided herein and to the extent permitted by law, Winning Supplier shall indemnify, defend, and hold harmless ("**Indemnifying Party**") CCOG and Equalis, and their respective officers, directors, employees, agents, subcontractors, suppliers, and all Equalis Group Participants subject to this Master Agreement (the "**Indemnified Party**") from and against any and all liabilities, damages, fines, penalties, costs, claims, interest, and expenses (including costs of defense, settlement, and reasonable attorneys' fees), including any claim arising from environmental health and safety laws or regulations, which are generated by claims, allegations, actions, causes of action, demands, assertions, adjudications, or suits which arise out of damage to or destruction of any property, or bodily injury (including death) suffered by any person including the Indemnified Party ("**Losses**") to the extent they are caused by gross negligence, willful misconduct, noncompliance with applicable laws, ~~or strict products liability~~ of the Indemnifying Party or its employees, agents, subcontractors, and suppliers. With respect to a claim under this Master Agreement, the liability of the Indemnifying Party is limited to the extent of such Indemnifying Party's gross negligence, willful misconduct, noncompliance with applicable laws, or strict products liability.

(b) **CCOG Indemnification.** Except as otherwise provided herein and to the extent permitted by law, CCOG shall indemnify, defend, and hold harmless ("**Indemnifying Party**") Winning Supplier, its officers, directors, employees, agents, subcontractors, and suppliers subject to this Master Agreement (the "**Indemnified Party**") from and against any and all liabilities, damages, fines, penalties, costs, claims, interest, and expenses (including costs of defense, settlement, and reasonable attorneys' fees), including any claim arising from environmental health and safety laws or regulations, which are generated by claims, allegations, actions, causes of action, demands, assertions, adjudications, or suits which arise out of damage to or destruction of any property, or bodily injury (including death) suffered by any person including the Indemnified Party ("**Losses**") to the extent they are caused by gross negligence, willful misconduct, or noncompliance with applicable laws of the Indemnifying Party or its employees, agents, subcontractors, and suppliers. With respect to a claim under this Master Agreement, the liability of the Indemnifying Party is limited to the extent of such Indemnifying Party's gross negligence, willful misconduct, or noncompliance with applicable laws.

(c) **Equalis Indemnification.** Except as otherwise provided herein and to the extent permitted by law, Equalis shall indemnify, defend, and hold harmless ("**Indemnifying Party**") Winning Supplier, its officers, directors, employees, agents, subcontractors, and suppliers subject to this Master Agreement (the "**Indemnified Party**") from and against any and all liabilities, damages, fines, penalties, costs, claims, interest, and expenses (including costs of defense, settlement and reasonable attorneys' fees), including any claim arising from environmental health and safety laws or regulations, which are generated by claims, allegations, actions, causes of action, demands, assertions, adjudications, or suits which arise out of damage to or destruction of any property, or bodily injury (including death) suffered by any person including the Indemnified Party ("**Losses**") to the extent they are caused by gross negligence, willful misconduct, or noncompliance with applicable laws of the Indemnifying Party or its employees, agents, subcontractors, and suppliers. With respect to a claim under this Master Agreement, the liability of the Indemnifying Party is limited to the extent of such Indemnifying Party's gross negligence, willful misconduct, or noncompliance with applicable laws.

3.6. **Notice & Opportunity to Defend; Limitations & Thresholds.**

(a) **Notice; Opportunity.** If any Losses are asserted against an Indemnified Party, such Indemnified Party shall notify the Indemnifying Party as promptly as practicable and give it an opportunity to defend the same. The Indemnified Party shall reasonably cooperate with the Indemnifying Party in connection with such defense. In the event that the Indemnifying Party in connection with such claim fails to defend against the claim within thirty (30) days after Notice of such claim, the Indemnified Party shall be entitled to assume the defense thereof, and the Indemnifying Party shall be liable to repay the Indemnified Party entitled to indemnification for all its expenses reasonably incurred in connection with said defense (including reasonable attorneys' fees and settlement payments) until the Indemnifying Party assumes such defense. The attorneys prosecuting such defense on behalf of a Party must be acceptable to the Indemnified Party, which acceptance shall not be unreasonably withheld.

(b) **Liability.** Notwithstanding any other provision of this Master Agreement, indemnity obligations entered into hereunder shall be due only to the extent of the Losses actually suffered by an Indemnified Party (i.e., reduced by any offsetting or related asset or service received and any recovery from any third Party). The Indemnifying Party ~~insurance~~ shall be subrogated to all rights of the Indemnified Party against any third party with respect to any claim for which indemnity was paid.

3.7. **Winning Supplier Insurance.** During the Term of this Master Agreement, and for two (2) years following expiration or termination of this Master Agreement, Winning Supplier, at its own expense, shall maintain and shall require that its agents, subcontractors, ~~and suppliers~~ engaged in Winning Supplier's performance of its duties under this Master Agreement maintain general liability insurance, property insurance, and automobile insurance (at a minimum, in the amount of \$1,000,000 per occurrence/\$5,000,000 annual aggregate) applicable to any claims, liabilities, damages, costs, or expenses arising out of its performance under this Master Agreement, or any Appendix, and with respect to, or arising out of, Winning Supplier's provision of Products & Services to Program Participants. CCOG, Equalis, and their respective officers, directors, employees, and agents will be named as additional insureds on Winning Supplier's related insurance policies. All such insurance policies shall incorporate a provision requiring the giving of written Notice to CCOG and Equalis at least thirty (30) days prior to the cancellation, nonrenewal, and/or material modification of any such policies. Winning Supplier shall submit to Equalis within ten (10) calendar days after the Effective Date of this Master Agreement, and prior to furnishing Products & Services to any Program Participants, valid certificates evidencing the effectiveness of the foregoing insurance policies. Winning Supplier shall provide such valid certificates on an annual basis until the terms of this section are no longer applicable.

3.8. **Termination Rights.** The Parties shall have the termination rights set forth below.

(a) **Insolvency.** If a petition in bankruptcy is filed by any Party, or if any Party is adjudicated as bankrupt, or if any Party makes a general assignment for the benefit of creditors, or if a receiver is appointed on account of the insolvency of any Party, then the other Parties, without prejudice to any other right or remedy, may terminate this Master Agreement upon giving at least five (5) business days prior written Notice of such termination.

(b) **Mutual Consent.** This Master Agreement, or any Appendix, may be terminated at any time by the mutual written consent of the Parties.

(c) **Breach.** In the event that any Party commits a material breach of its obligations under this Master Agreement, except for a payment obligation, the non-breaching Party(ies) may provide written Notice describing the material breach to the breaching Party. The breaching Party will have thirty (30) calendar days to cure such breach or provide acceptable reassurance to the non-breaching Party(ies), or, if the Parties agree that a cure or reassurance is not feasible within thirty calendar (30) days, such period of time for cure or satisfactory reassurance as the Parties may agree in writing. If the breach is not cured within such period or if satisfactory reassurance is not accepted by the non-breaching Party(ies) in such period, then the Party(ies)

not in breach may terminate this Master Agreement upon ten (10) business days written Notice at the Addresses for Notices set forth in **Appendix A**.

(d) Winning Supplier reserves the right to terminate this Agreement for convenience upon ninety (90) days advance written notice. In the event of a material change of business circumstance, Winning Supplier reserves the right to terminate for convenience effective upon fifteen (15) days written notice.

3.9. **Effects of Termination.** Upon termination of this Agreement for any reason, all Customer Agreements entered into with Program Participants shall immediately terminate. Winning Supplier shall immediately cease any sales of Products & Services to any Program Participant under and through the terms of this Master Agreement. Following the date of termination, Winning Supplier shall not be precluded from selling its products and services to individuals, businesses, and entities that were Program Participants when this Master Agreement was in effect either directly or through some other contract vehicle. Following the date of termination, CCOG and Equalis shall not be precluded from transitioning individuals, businesses, and entities that were Program Participants when this Master Agreement was in effect to another agreement or Equalis Group supplier partner.

3.10. **Audit of Winning Supplier.** CCOG and Equalis, whether directly or through an independent auditor or accounting firm, shall have the right to request copies of directly applicable records to perform audits, including inspection of books, records, and computer data relevant to Winning Supplier's provision of Products & Services to Program Participants, to ensure that pricing, ~~inventory~~, quality, process, and business controls are maintained; provided, however, that such inspections and audits will be conducted upon reasonable notice to Winning Supplier and so as not to unreasonably interfere with Winning Supplier's business or operations.

3.11. **Force Majeure.** This Master Agreement will be temporarily suspended during any period to the extent that any Party during that period is unable to carry out its obligations under this Master Agreement or the Appendices by reason of an Act of God or the public enemy, act of terrorism, fire, flood, labor disorder not caused by Winning Supplier, civil commotion, closing of the public highways not caused by Winning Supplier, government interference, government regulations, or any other event or occurrence beyond the reasonable control of the affected Party ("Event of Force Majeure"). No Party will have any liability to the other Party(ies) for a delay in performance nor failure to perform to the extent this Master Agreement or any Appendix is so temporarily suspended; provided that nothing contained herein shall apply to payment obligations with respect to obligations which have already been performed under this Master Agreement. If the provision of Products & Services are impeded due to an Event of Force Majeure, then Winning Supplier may apportion the provision of Products & Services among its present and future customers on a fair and reasonable basis ~~after consulting with Equalis and the Program Participants potentially affected~~ and in a manner that would not reasonably be expected to disproportionately affect Program Participants Additionally, Force Majeure II. Winning Supplier shall not be liable for any delay in, or impairment of, performance resulting in whole or in part from any force majeure event, including but not limited to acts of God, labor disruptions, acts of war, acts of terrorism (whether actual or threatened), governmental decrees or controls, insurrections, epidemics, quarantines, shortages, communication or power failures, fires, accidents, explosions, inability to procure or ship product or obtain permits and licenses, inability to procure supplies or raw materials, severe weather conditions, catastrophic events, or any other circumstance or cause beyond the reasonable control of Winning Supplier in the conduct of its business.

3.12. **Notices.** All notices, claims, certificates, requests, demands, and other communications required or permitted hereunder ("Notice") must be in writing and will be deemed given to the Addresses for Notices (a) when delivered personally to the recipient, (b) upon delivery by reputable overnight courier service (charges prepaid), or (c) upon delivery or refusal of delivery by certified or registered mail, return receipt requested, and addressed to the intended recipient. The Parties agree that the day-to-day business communications, including notification of a change of address, pricing updates, or revisions to any Appendix, may be made via electronic communication.

3.13. **Waiver.** Other than the rights and obligations with respect to payment provided by this Master Agreement, waiver by any Party(ies) of or the failure of any Party(ies) hereto to enforce at any time its rights with regard to any breach or failure to comply with any provision of this Master Agreement by the other Party(ies) may not be construed

as, or constitute, a continuing waiver of such provision, or a waiver of any other future breach of or failure to comply with the same provision or any other provision of this Master Agreement.

3.14. **Governing Law; Invalidity.** To the extent that the business performance occurs within the geographic location of the State of Ohio, This Master Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Ohio without regard to rules of conflict of laws. If any provision of this Master Agreement is declared unlawful or unenforceable by judicial determination or performance, then the remainder of this Master Agreement shall continue in force as if the invalidated provision did not exist. Any suits filed by any Party pursuant to this Master Agreement shall be brought in a court of competent jurisdiction located in Cuyahoga County, Ohio. In the event any Party initiates a suit and that suit is adjudicated by a court of competent jurisdiction, the prevailing Party shall be entitled to reasonable attorney's fees and costs from the non-prevailing Party in addition to any other relief to which the court determines the prevailing Party is entitled or awarded.

3.15. **Modification.** No release, discharge, abandonment, waiver, alteration, or modification of any of the provisions of this Master Agreement, or any of the Appendices incorporated herein, shall be binding upon any Party unless set forth in a writing signed by authorized representatives of the Parties.

3.16. **Assignment.** This Master Agreement and the rights and obligations hereunder may not be assignable by any Party hereto without the prior written consent of the other Parties, which consent shall not be unreasonably withheld, conditioned, or delayed, provided, however, that Winning Supplier and Equalis may assign their respective rights and obligations under this Master Agreement without the consent of the other Parties in the event either Winning Supplier or Equalis shall hereafter effect a corporate reorganization, consolidation, merger, merge into, sale to, or a transfer of all or substantially all of its properties or assets to another entity. Subject to the preceding sentence, this Master Agreement will be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors and assigns. Any instrument purporting to make an assignment in violation of this section shall be null and void. This Master Agreement may be extended to additional entities affiliated with the Parties upon the mutual agreement of the Parties. No such extension will relieve the extending Party of its rights and obligations under this Master Agreement.

3.17. **No Third-Party Beneficiaries; Survival of Representations.** This Master Agreement is made solely for the benefit of the Parties to it, and no other persons will acquire or have any right under or by virtue of this Master Agreement. Except as otherwise provided herein, all representations, warranties, covenants, and agreements of the Parties shall remain in full force and effect regardless of any termination of this Master Agreement, in whole or in part.

3.18. **Entire Agreement.** Grainger would prefer to move this clause to the end of this agreement with the following revisions. This Master Agreement, together with all attachments, appendices, and exhibits as listed below hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral or written representations and agreements with regard to the same subject matter. The Parties acknowledge that this Master Agreement has been negotiated and incorporates their collective agreement as to the provisions to be contained herein. Therefore, no presumption will arise giving benefit of interpretation by virtue of authorship of any provision of this Master Agreement, and any ambiguity may not be construed for or against any Party. Winning Supplier's complete and final RFP response is hereby incorporated into and made part of this Master Agreement. Please confirm that it is CCOG's intent that the exhibits, attachments, appendices are to be mutually agreed by the parties at time of final negotiation.

3.19. **Execution in Counterparts.** This Master Agreement may be executed in one or more counterparts, each of which will be deemed an original. For purposes of this Master Agreement, a facsimile, scanned, or electronic signature will be deemed an original signature.

3.20. **Titles, Headings & Recitals.** The Preamble to this Master Agreement is hereby incorporated herein and made part of this Master Agreement. The Recitals stated within this Master Agreement are deemed to be a part of this Master Agreement. The titles and headings of the sections and paragraphs of this Master Agreement are inserted for

convenience only and shall not constitute a part hereof or affect in any way the meaning or interpretation of this Master Agreement.

3.21. **Nondiscrimination & Intimidation.**

(a) Winning Supplier expressly agrees that in the hiring of employees for the performance of work or services under this Master Agreement or any subcontract that are within the State of Ohio, Winning Supplier, its subcontractors, or any person acting on a Winning Supplier's or its subcontractor's behalf shall not discriminate in the hiring of employees by reason of race, creed, sex, disability as defined in Section 4112.01 of the Ohio Revised Code nor shall it discriminate against any citizen of the State of Ohio in the employment of labor or workers who are qualified and available to perform the Work to which the employment relates.

(b) Winning Supplier expressly agrees that Winning Supplier for performance with in the State of Ohio, any of its subcontractors, or any person on behalf of Winning Supplier or its subcontractors in any manner shall not discriminate against or intimidate any employee hired for the performance of work or services under this Master Agreement on account of race, creed, sex, disability as defined in Section 4112.01 of the Ohio Revised Code, or color.

(c) Winning Supplier expressly agrees to include the provisions of this section in each of its written subcontractor agreements within the State of Ohio for the Products & Services subject to this Master Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Master Agreement to be executed by their duly authorized representatives as of the Effective Date.

THE COOPERATIVE COUNCIL OF
GOVERNMENTS, INC.

WINNING SUPPLIER

By: _____

By: _____

Name: Scott A. Morgan

Name: _____

As: CCOG Board President

As: _____

Date: _____

Date: _____

EQUALIS GROUP, LTD.

By: _____

Name: Stephen M. Hull

As: CEO

Date: _____

APPENDIX A: TERM OF AGREEMENT; NOTICES

This Appendix may be modified at any time with the mutual written consent of the Parties.

1. The Term.

This Master Agreement and the Appendices attached hereto will become effective as of the Effective Date. This Master Agreement will remain in effect for approximately ~~five (5)~~ three (3) years and expire on Month day, year (the "Termination Date") unless extended or unless otherwise terminated or cancelled as set forth in the Master Agreement (the "Initial Term"). This Master Agreement may be renewed at any time for two (2) one-year renewal periods by the mutual written consent of the Parties (each a "Renewal Term") unless this Master Agreement is terminated as set forth herein. The Initial Term together with all Renewal Terms exercised are hereinafter collectively referred to as the "Term."

2. Addresses for Notices.

a. If to CCOG:

The Cooperative Council of Governments, Inc.
Attn: Board President
6001 Cochran Road, Suite 333
Cleveland, Ohio 44139
Facsimile: 440.337.0002

b. If to Winning Supplier:

and with copy to:

Winning Supplier W.W. Grainger, Inc.
Attn: Name, Title
Street Address 1
Street Address 2
City, State Zip

W.W. Grainger, Inc Company Name
Attn: General Counsel Name, Title
7 Street Address 1
100 Grainger Parkway Street Address 2
Lake Forest, Illinois 60045-5201 City, State Zip

c. If to EQUALIS:

Equalis Group, Ltd.
Attn: Eric Merkle, SVP
5550 Granite Parkway, Suite 298
Plano, Texas 75024

APPENDIX B: PRODUCTS & SERVICES; PRICING

The following terms and conditions will apply to any purchase or utilization of the Products & Services from Winning Supplier. This Appendix may be modified at any time with the mutual written consent of Winning Supplier and Equalis.

1. Products & Services

To be completed following contract award to Winning Supplier based on Winning Supplier's RFP response and subsequent negotiations.

The definition of Products & Services may be amended from time to time upon the mutual written agreement of Winning Supplier and Equalis.

2. Pricing for Products & Services

To be completed following contract award to Winning Supplier based on Winning Supplier's RFP response and subsequent negotiations.

3. Pricing Termse Adjustments

Should it become necessary or proper during the term of this contract to make any change ~~in design or any alterations to the terms and conditions of this Master Agreement~~ that will increase expense ~~outside the contractually allowed changes~~, Equalis Group must be notified immediately. ~~Market Basket Price~~ price increases must be approved by CCOG ~~or adjusted per the terms of this Master Agreement~~ and no payment for additional materials or services, beyond the amount stipulated in the contract, shall be paid without prior approval. ~~All price increases must be supported by manufacturer documentation, or a formal cost justification letter.~~

Commented [KJ1]: Please see note below on Category, Commodity and Catalog Discounts.

Commented [KJ2]: Grainger is prevented from accepting this clause due to the confidentiality requirements in its supplier agreements. This is a standard practice for Grainger and not unique to this offer.

4. Market Basket: Market Basket prices will be firm for the first six months. After the first six months and continuing thereafter for the Term of the Master Agreement, the Parties will have a quarterly business review to assess the Market Basket. Every six months starting from the date of award, Winning Supplier will provide an updated Market Basket ~~must honor previous - prices file for thirty (30) days prior to the end of the six month period for review at quarterly meeting after approval and written notification from Equalis Group if requested.~~ Market Basket prices may be adjusted at quarterly business reviews based on the mutual agreement of the Parties and the terms of the Master Agreement.

It is Winning Supplier's responsibility to keep all Market Basket pricing up to date and on file with Equalis Group. All price changes to the Market Basket must be provided to Equalis Group, using the same format as was accepted in the original contract.

5. Category, Commodity, and Catalog Discounts: Discounts offered will be applied to the Winning Supplier's Contract Reference Price in effect at time of purchase. Discounts will remain firm for the term of the bid. Individual Contract Reference Prices are subject to change without notice. Contract Reference Prices are available to customers on-line after login to its customized account at www.grainger.com. Winning Supplier reserves the right to categorize products.

Commented [KJ3]: Due to Grainger's very broad catalog selection of over 1 million individual products, Grainger cannot hold all prices firm. Discounts, however, are firm for the term of the Agreement

6. Volatile Commodity Clause. Please note that if the price of any product falls below Winning Supplier's cost, or (ii) Winning Supplier experiences a material increase in its product costs for a particular individual item caused by among other things, changes in laws or regulations, impositions of tariffs, increases in commodity prices, extraordinary events that significantly impact the global supply chain, or other changes in conditions not reasonably foreseeable to Winning Supplier, Winning Supplier reserves the right to, (i) revise the price for that product, (ii) withdraw the product from this offering, or (iii) work in good faith with Equalis to identify an alternate product that is available in similar quantities as that initially ordered. Grainger reserves the right to sell these products at the five (5%) catalog base wide discount.

7. Freight: FOB Destination (standard parcel ground freight) is paid by Grainger on all Catalog Products orders, unless otherwise stated, to Program Participant's place of business anywhere in the contiguous United States. All other freight charges imposed by the freight carrier related to the shipment and for shipments of and Sourced Product shall be paid by Program Participant, unless otherwise agreed to in writing by Grainger.

8. KeepStock and Inventory Solutions Eligibility Considerations: Eligibility for Grainger's KeepStock® solutions is subject to qualifying criteria and may require Grainger's Consulting Services group to conduct an assessment at Program Participant's site. As a condition of KeepStock® Onsite implementation, Winning Contractor and Program Participant will mutually agree on the hours of weekly performance by Winning Contractor's personnel. Program Participant will need to accept licensing terms for software-based solutions, and a written service agreement is required for KeepStock® Secure.

9. Services:

Winning Supplier's complete offer of Sku'd and Sourced service solutions, as updated and enhanced from time to time, is available to all Program Participants. Winning Supplier will work with Program Participant to identify service needs and facilitate service solutions, subject to restrictions imposed by applicable laws and regulations specific to the jurisdiction in which Program Participant is located.

10. Winning Supplier's Reports: Winning Supplier's reports are the product of immense financial company investment and are both the reports and the report data are confidential and proprietary, trade secret material and information which cannot be disclosed to third parties.

11. Sourced Product Terms and Conditions: Sourced Product Division. Grainger has the ability to obtain products which are not offered in the Grainger catalog. These products, because they are directly obtained from a supplier, have additional terms and conditions which apply to their purchase. Please see below:

Sourcing Services

Grainger will source products not available through the Grainger General Catalog. Grainger does not source the following products: weapons, ammunition, explosives, aircraft products (including ground support equipment), products containing asbestos, nuclear-related products, products directly involved in production of final product (end unit), products with restricted distribution, or any product judged to be too great a liability risk by W.W. Grainger, Inc.

Pricing

The pricing model for Sourced Products is based on current market conditions for spot buy situations on a per order basis.

Sourced Product Freight Terms

Sourced Product shall be shipped FOB Origin (standard parcel ground freight). All freight charges imposed by the freight carrier for Sourced Product shipped shall be paid by Program Participant, unless otherwise agreed to in writing by Grainger.

Warranty

GRAINGER'S STANDARD WARRANTY DOES NOT APPLY TO SOURCED ITEMS. GRAINGER, TO THE FULLEST EXTENT PERMITTED, PASSES THROUGH TO CUSTOMER ANY AND ALL MANUFACTURER AND SUPPLIER PRODUCT WARRANTIES.

Warranty Disclaimer

GRAINGER'S WARRANTY DISCLAIMER AND LIMITATION OF LIABILITY APPLY TO SOURCED PRODUCTS.

WARRANTY DISCLAIMER. GRAINGER 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.

LIMITATION OF LIABILITY. ANY LIABILITY FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES IS EXPRESSLY DISCLAIMED. GRAINGER'S LIABILITY IN ALL EVENTS SHALL NOT EXCEED THE PURCHASE PRICE PAID FOR THE PRODUCT THAT GIVES RISE TO ANY LIABILITY. GRAINGER'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 CUSTOMER TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

Returns

A RGA (Returned Goods Authorization) must be issued by Grainger prior to returning Sourced Products; the RGA is good for 30 days after issuance. Returns will be sent directly to the sourced supplier, and not to a Grainger location, unless otherwise instructed in the RGA. Returned Sourced Products may incur a restocking fee of 35% of Sourced Product sell price, freight prepaid and added, unless shipment was the result of a Grainger or manufacturer error. Special manufactured and custom engineered products are sold on a "FINAL SALE" basis only and no changes, cancellation, returns or refunds are allowed.

Stocking Sourced Product

In the event that Grainger agrees to stock an agreed upon quantity of Sourced Products for Customer, upon expiration, cancellation or termination of the Agreement, Program Participant agrees to purchase all remaining stocked Sourced Product. Grainger will invoice Program Participant for such product within (30) days of expiration, cancellation or termination of the Agreement.



Monday, November 8, 2020

Cooperative Council of Governments
6001 Cochran Road, Suite 333
Cleveland, Ohio 44139

Re: Letter of Disclosure for the Cooperative Council of Governments/Equalis RFP Number COG-2108

RFP Form

Please see the following responses to sections found in the main RFP form.

3.1.3 Mandatory Contract Performance Disclosures: W.W. Grainger, Inc. does not have any applicable disclosures relating to its government contracts. If you have any further questions, please do not hesitate to contact us.

3.1.3 Mandatory Disclosures of Government Investigations: We certainly understand the significance and the purpose of this question and appreciate the importance that CCOG places on this consideration. As a government contractor who has contracts with the federal government, nearly every state in the US and too many local political subdivisions to count, our company is proud of its exemplary compliance record. Grainger has invested greatly in its company's lawful performance and its government contracting compliance processes. But any company of this size, with geographic locations across the 50 states and the sheer volume of sales (currently over 10 billion annually) issues are bound to arise. We do not believe that the company has any material issues within the timeframe of the last five years which would be possible indicators of potential performance issues from a possible award. Therefore, attached to this letter, Grainger has provided its standard Legal Disclosure which is formally filed in its Annual Report for your review. Again, if you have any further questions, please do not hesitate to contact us.

Attachment C

Please see the following as it applies to sections found in Attachment C.

Grainger has filled out the form as best as it can Attachment C at this time.

10. Mandatory Supplier Certifications: As a national company with over 25,000 employees, Grainger does occasionally have employee related events such as those requested here. In the event that Grainger is accepted for negotiation, an examination into the requested information for the State of Ohio can be provided upon request. But at this time, Grainger does not believe that there are any material violations in Ohio that will need to be disclosed.

15.3 Federal Clauses: In regard to the request in the form to agree to certain federal clauses in advance, Grainger will need to assess these terms on a case by case basis directly with the customer based on the engagement. Typically, for MRO sales alone, many of these clauses are acceptable. However, if a customer adds a sourced product or service for a fee, they may not be acceptable.

16. New Jersey and 17. Arizona certifications: In regard to the terms specific to New Jersey and Arizona, Grainger believes that it is currently compliant but for record keeping purposes prefers to handle these on a case by case basis with the individual customer.

Again, please contact us if you have any questions, please contact us.

FROM THE GRAINGER ANNUAL REPORT NOTE 15 - CONTINGENCIES AND LEGAL MATTERS From time to time the Company is involved in various legal and administrative proceedings that are incidental to its business, including claims related to product liability, general negligence, contract disputes, environmental issues, unclaimed property, wage and hour laws, intellectual property, employment practices, regulatory compliance or other matters and actions brought by employees, consumers, competitors, suppliers, customers, governmental entities and other third parties. For example, beginning in the fourth quarter of 2019, Grainger has been named in several product liability-related lawsuits in the Harris County, Texas District Court relating to an explosion at a KMCO, LLC chemical refinery located in Harris County. The complaints seek recovery of compensatory and other damages and relief. Grainger is investigating the claims, which are at an early stage, and intends to contest these matters vigorously. Also, as a government contractor selling to federal, state and local governmental entities, the Company may be subject to governmental or regulatory inquiries or audits or other proceedings, including those related to contract administration or to pricing compliance. While the Company is unable to predict the outcome of any of these matters, it is not expected that the ultimate resolution of any of these matters will have, either individually or in the aggregate, a material adverse effect on the Company's consolidated financial position or results of operations. From time to time, the Company has also been named, along with numerous other nonaffiliated companies, as a defendant in litigation in various states involving asbestos and/or silica. These lawsuits typically assert claims of personal injury arising from alleged exposure to asbestos and/or silica as a consequence of products manufactured by third parties purportedly distributed by the Company. While several lawsuits have been dismissed in the past based on the lack of product identification, if a specific product distributed by the Company is identified in any pending or future lawsuits, the Company will seek to exercise indemnification remedies against the product manufacturer to the extent available. In addition, the Company believes that a substantial number of these claims are covered by insurance. The Company has entered into agreements with its major insurance carriers relating to the scope and coverage and the costs of defense, of lawsuits involving claims of exposure to asbestos. The Company believes it has strong legal and factual defenses and intends to continue defending itself vigorously in these lawsuits. While the Company is unable to predict the outcome of these proceedings, it believes that the ultimate resolution will not have, either individually or in the aggregate, a material adverse effect on the Company's consolidated financial position or results of operations.