



Finance and Administration Services Department

**PURCHASING DIVISION**

115 S. Andrews Avenue, Room 212, Fort Lauderdale, Florida 33301 | 954-357-6066 | FAX 954-357-8535 | [broward.org/Purchasing](http://broward.org/Purchasing)

Hours of Operation: Monday through Friday 8:30 a.m. to 5:00 p.m.

**PURCHASING AGENT'S REPORT**

DATE: June 30, 2020

TO: Brenda J. Billingsley, Director of Purchasing, Purchasing Division

THRU: Carla Byrd, Purchasing Manager, Purchasing Division CARLA BYRD Digitally signed by CARLA BYRD  
Date: 2020.06.30 21:12:06 -04'00'

FROM: Mary Moss, Purchasing Agent, Purchasing Division MARY MOSS Digitally signed by MARY MOSS  
Date: 2020.06.30 20:03:53 -04'00'

SUBJECT: Request for Approval to Piggyback State of Florida Contract No. 31160000-20-NASPO-ACE, Facilities Maintenance, Repair, and Operations (MRO) and Industrial Supplies.

**AGENT ANALYSIS:**

The State of Florida has memorialized a contract with W.W. Grainger, Inc. (Grainger) in which it exercised its right to piggyback off the State of Oregon Contract No. 8496, Facilities Maintenance, Repair, and Operations (MRO) and Industrial Supplies (Exhibit 1). Broward County (County) agencies repetitively procure industrial and commercial supplies and equipment, thus, the submission of this request to piggyback off the State of Florida Contract No. 31160000-20-NASPO-ACS, Facilities Maintenance, Repair, and Operations (MRO) and Industrial Supplies.

On March 21, 2018, the Director of Purchasing approved Contract No. BLD3900022918G1\_1, Industrial & Commercial Supplies and Equipment, piggybacking the State of Florida Contract No. 31160000-18-ACS, for a not-to-exceed amount of \$400,000 as authorized under the Broward County Procurement Code, Section 21.135.a.2, which authorizes the Director of Purchasing to directly purchase from contracts generated by the State of Florida (Exhibit 2). On March 5, 2019 (Item No. 16), the Board of Commissioners approved a threshold increase in the estimated amount of \$800,000 for the remainder of the contract's current term which is March 21, 2018 through September 30, 2020, and authorized the Director of Purchasing to renew the contract, as renewed by the State of Florida and State of New York, for a one-year period, for a potential total amount of \$1,200,000 (Exhibit 3). On December 3, 2019 (Item No. 31), the Board of Commissioners approved a threshold increase in the estimated amount of \$2,000,000 (Exhibit 4).

According to the information in PeopleSoft, the total usage under the previous Contract No. BLD3900022918G1\_1 with Grainger between March 21, 2018 and June 30, 2020 is \$2,328,817.89 (Exhibit 5).

On June 29, 2020, the State of Florida issued a termination letter for Contract No. 31160000-18-ACS for Industrial & Commercial Supplies and Equipment to Grainger based on convenience, which shall be effective July 1, 2020 (Exhibit 6).

The State of Oregon Contract No. 8496 (the Contract) provides authorized users with the opportunity to acquire industrial and commercial supplies and equipment purchased repetitively

Request for Approval to Piggyback State of Florida Contract No. 31160000-20-NASPO-ACS, Facilities Maintenance, Repair, and Operations (MRO) and Industrial Supplies.

or on an emergency basis, and a means for inventory reduction through expeditious shipment of a variety of products, aggregation, and purchasing of a variety of products from the same vendor with a single order.

The Contract was established through a competitive solicitation process and allows for periodic recruitment of vendors throughout the term of the Contract. The Contract began on April 17, 2018, and it is scheduled to expire on June 30, 2023, with no renewal options available.

The State of Florida's contract has an initial term which begins July 1, 2020 and expires June 30, 2023, unless terminated earlier in accordance with the terms and conditions as agreed in the Contract.

Exercising due diligence, Purchasing held a follow-up conference call on June 30, 2020 requesting a cost analysis of which Grainger provided (Exhibit 7).

In accordance with Procurement Code, Section 21.135.a.2, "The Purchasing Division is expressly authorized to directly purchase from contracts generated by the State of Florida. Such purchases are to be in accordance with the terms and conditions of the contract held by the State or Federal entity."

#### **RECOMMENDATIONS AND REASONS:**

Approval is recommended to utilize the State of Florida Contract No. 3160000-20-NASPO-ACS, Facilities Maintenance, Repair, and Operations (MRO) and Industrial Supplies for an open-end contract in the amount not-to-exceed \$500,000. The State of Florida's contract offers many benefits to the County, including the ease of acquiring repetitively used industrial and commercial supplies and equipment and volume discount options, which allow the County to save money. The Contract will also prevent the County from carrying large product inventory and it supports emergency purchases by offering prompt shipment of a variety of products, aggregation and purchasing of a variety of products from the same Contractor with a single order.

#### **EXHIBITS**

Exhibit 1 – The State of Florida Contract No. 31160000-20-NASPO-ACS awarded June 29, 2020

Exhibit 2 – Purchasing Agent Report for Piggyback State of New York Contract No. 3900022918 approved March 21, 2018

Exhibit 3 – Agenda Item No. 16, Board of Commissioners approved March 5, 2019

Exhibit 4 – Agenda Item No. 31, Board of Commissioners approved December 3, 2019

Exhibit 5 – PeopleSoft Usage for Contract No. BLD3900022918G1\_1 dated June 30, 2020

Exhibit 6 – Termination for Convenience Notice for Contract No. 31160000-18-ACS dated June 29, 2020

Exhibit 7 – Cost Analysis by Grainger

Request for Approval to Piggyback State of Florida Contract No. 31160000-20-NASPO-ACS,  
Facilities Maintenance, Repair, and Operations (MRO) and Industrial Supplies.

**APPROVAL AUTHORITY**

BRENDA  
BILLINGSLEY

Digitally signed by  
BRENDA BILLINGSLEY  
Date: 2020.07.01  
09:16:51 -04'00'

\_\_\_\_\_  
Director of Purchasing

APPROVE  DISAPPROVE

Comments:

  
\_\_\_\_\_  
County Administrator

APPROVE  DISAPPROVE

Comments:



**Alternate Contract Source (ACS)  
No. 31160000-20-NASPO-ACS  
For  
Facilities Maintenance, Repair, and Operations (MRO) and Industrial  
Supplies**

This Contract is made by and between the State of Florida, Department of Management Services (Department), an agency of the State of Florida (State), and W.W. Grainger, Inc., 3924 West Pensacola Street, Tallahassee, Florida 32304 (Contractor), collectively referred to herein as the "Parties."

The Department is authorized by section 287.042(16), Florida Statutes, to evaluate contracts let by the Federal Government, another state, or a political subdivision for the provision of commodities and contract services, and, if it is determined in writing to be cost-effective and in the best interest of the state, to enter into a written agreement authorizing an agency to make purchases under such contract."

NASPO ValuePoint, and the lead State of Oregon, competitively procured facilities maintenance, repair, and operations (MRO) and industrial supplies, and signed Contract #8496 with the Contractor, attached hereto as Exhibit E (Master Agreement). The Master Agreement became effective on April 17, 2018, and is scheduled to expire on June 30, 2023. The Master Agreement has no renewal options available.

The Department evaluated the Master Agreement, and hereby acknowledges that use of the Master Agreement as an alternate contract source is cost-effective and in the best interest of the State.

Accordingly, the Parties agree as follows:

**1. Term and Effective Date.**

The initial term of this Contract will begin July 1, 2020 or on the date the Contract is fully signed by all Parties, whichever is later, and will expire June 30, 2023, consistent with the Master Agreement, unless terminated earlier in accordance with Exhibit B, Special Contract Conditions (Florida).

**2. Modifications or Additions to Master Agreement.**

As used in this document, Contract (whether capitalized or not) will, unless the context requires otherwise, mean this document and all incorporated Exhibits, which set forth the entire understanding of the Parties and supersede any and all prior agreements.

**Alternate Contract Source (ACS)  
No. 31160000-20-NASPO-ACS  
For**

**Facilities Maintenance, Repair, and Operations (MRO) and Industrial Supplies**

This Contract may only be modified or amended upon mutual written agreement by the Parties. If amendments are made to the Master Agreement, the Contractor shall: 1) notify the Department of such amendments; and 2) provided the Department is amenable to incorporating the amendments into this Contract, enter into a written amendment with the Department reflecting the addition of such amendments to this Contract.

All Exhibits attached or listed below are incorporated in their entirety into, and will form part of, this Contract. Exhibit A and Exhibit B modify or supplement the terms and conditions of the Master Agreement. In the event of a conflict, the following order of precedence will apply:

- a) This Contract document and amendments, if any, with the latest issued having priority.
- b) Exhibit A: Additional Special Contract Conditions (Florida)
- c) Exhibit B: Special Contract Conditions (Florida)
- d) Exhibit C: State of Florida Price Sheet
- e) Exhibit D: NASPO ValuePoint Participating Addendum
- f) Exhibit E: Master Agreement

Where the laws and regulations of a state other than the State of Florida are cited or referenced in the Master Agreement, such citation or reference will be replaced by the comparable Florida law or regulation.

**3. Purchases off this Contract.**

Upon execution of this Contract, agencies (as defined in section 287.012, Florida Statutes) may purchase products and services under this Contract using this State of Florida ACS No. 31160000-20-NASPO-ACS. State agencies acknowledge and agree to be bound by the terms and conditions of the Master Agreement except as otherwise specified in this Contract.

**4. Primary Contacts**

**Department's Contract Manager:**  
Shaveon Nelson  
Division of State Purchasing  
Florida Department of Management Services  
4050 Esplanade Way, Suite 370.1X  
Tallahassee, Florida 32399-0950  
Telephone: (850) 922-1214  
Email: [Shaveon.Nelson@dms.myflorida.com](mailto:Shaveon.Nelson@dms.myflorida.com)



### **ADDITIONAL SPECIAL CONTRACT CONDITIONS Exhibit A**

The following changes are modifying or supplementing the Master Agreement terms and conditions.

1. Vendor Registration: In order to complete any transaction between a Customer and the Contractor, the Contractor must be registered in [MyFloridaMarketPlace](#).
2. Additional Customer Terms: If any law, rule, ordinance, or other local governmental authority requires additional contract language before a Customer can make a purchase under this Contract, the Customer is responsible for including such language in its order.
3. The State of Florida's performance and obligation to pay under this Contract is contingent upon an annual appropriation by the Legislature. The Contractor shall comply with section 11.062, Florida Statutes, and section 216.347, Florida Statutes, prohibiting use of funds to lobby the Legislature, the judicial branch, or state agencies.
4. Employment Eligibility Verification: The language of Subsection 13.2 of the Special Contract Conditions regarding E-Verify shall apply to resellers as well as other subcontractors.
5. Orders: Any order placed by a Customer for a product and/or service available from this Contract shall be deemed to be a sale under and governed by the terms and conditions of the Contract. To the extent the Customer and the Contractor agree on additional terms, the terms will be documented on the Customer's order and signed by both parties.

Contractor must be able to accept orders via fax, e-mail, or the MyFloridaMarketPlace (MFMP).

6. Punchout Catalog and Electronic Invoicing: The Contractor is required to provide an MFMP punchout catalog. The punchout catalog provides an alternative mechanism for suppliers to offer the State of Florida access to products awarded under the Contract. The punchout catalog also allows for direct communication between the MFMP eProcurement System and a supplier's Enterprise Resource Planning (ERP) system, which can reflect real-time product inventory/availability information.

Through utilization of the punchout catalog model, a user will "punch out" to a supplier's website. Using the search tools on the supplier's Florida punchout catalog site, the user selects the desired products and services. When complete, the user exits the supplier's punchout catalog site and the shopping cart (full of products and services) is "brought back" to MFMP. No orders are sent to a supplier when the user exits the supplier's punchout catalog site. Instead, the chosen products and services are "brought back" to MFMP as Purchase Order line items. The user can then proceed through the normal workflow steps, which may include adding/editing the products in the Purchase Order. An order is not submitted to a supplier until the user approves and submits the purchase

order, at which point the supplier receives an email with the order details.

The Contractor may be required to invoice electronically pursuant to guidelines of the Department of Management Services. Electronic invoices may be submitted to the agency through the Ariba Network (AN) in one of three mechanisms as listed below. The Contractors may select the method that best meets their capabilities from the following list:

- **cXML (commerce eXtensible Markup Language)**  
This standard establishes the data contents required for invoicing via cXML within the context of an electronic environment. This transaction set can be used for invoicing via the Ariba Network (AN) for catalog and non-catalog products and services. The cXML format is the Ariba preferred method for eInvoicing.
- **EDI (Electronic Data Interchange)**  
This standard establishes the data contents of the Invoice Transaction Set (810) for use within the context of an Electronic Data Interchange (EDI) environment. This transaction set can be used for invoicing via the ASN for catalog and non-catalog products and services.
- **PO Flip via ASN**  
This online process allows suppliers to submit invoices via the AN for catalog and non-catalog products and services. Suppliers have the ability to create an invoice directly from their Inbox in their AN account by simply “flipping” the PO into an invoice. This option does not require any special software or technical capabilities.

For the purposes of this section, the Contractor warrants and represents that it is authorized and empowered to and hereby grants the State and the third party provider of MFMP, a State contractor, the right and license to use, reproduce, transmit, distribute, and publicly display within the system the information outlined above. In addition, the Contractor warrants and represents that it is authorized and empowered to and hereby grants the State and the third party provider the right and license to reproduce and display within the system the Contractor’s trademarks, system marks, logos, trade dress, or other branding designation that identifies the products made available by the Contractor under the Contract.

The Contractor will work with the MFMP management team to obtain specific requirements for the punchout catalog and electronic invoicing.

7. **Contract Reporting:** The Contractor shall report information on orders received from Customers associated with this Contract.

The Contractor shall submit reports in accordance with the following schedule:

Report	Period Covered	Due Dates
MFMP Transaction Report	Calendar month	15th calendar day of the month following the receipt of payment for the vendor’s good or services.
Quarterly Sales Report	State’s Fiscal Quarter	15 calendar days after close of the period

No favorable action will be considered for any contractor who has outstanding Contract Quarterly Sales Reports, MFMP Transaction Fee Reports, or any other documentation, to include fees / monies that is required under the Contract.

DocuSign Envelope ID: A11D4769-4304-42EF-B964-E38147568EB0

- **Quarterly Sales Report:** The Contractor agrees to submit a Quarterly Sales Report to the Department's Contract Manager within fifteen (15) calendar days after the close of each State Fiscal quarter.

Quarterly reporting timeframes coincide with the State Fiscal Year as follows:

Quarter 1 - (July-September) – due 15 calendar days after close of the period.

Quarter 2 - (October-December) – due 15 calendar days after close of the period.

Quarter 3 - (January-March) – due 15 calendar days after close of the period.

Quarter 4 - (April-June) – due 15 calendar days after close of the period.

Quarterly reporting periods should coincide with the Contract term and begin the quarter following Contract execution. Reports must be submitted in MS Excel format and can be retrieved by accessing the following link at:

[https://www.dms.myflorida.com/business\\_operations/state\\_purchasing/vendor\\_resources/quarterly\\_sales\\_report\\_format](https://www.dms.myflorida.com/business_operations/state_purchasing/vendor_resources/quarterly_sales_report_format).

The report will include all sales (orders) from Customers received (associated with this Contract) during the period. Initiation and submission of the Quarterly Report is the responsibility of the Contractor without prompting or notification from the Department's Contract Manager. If no orders are received during the period, the Contractor must submit a report stating that there was no activity. If the Contractor fails to submit two consecutive quarterly sales reports, this Contract may be terminated for convenience or the Department may choose to not renew the Contract.

In addition, the Department may require additional sales information such as copies of purchase orders, or ad hoc sales reports. The Contractor shall submit these specific ad hoc requests within the specified amount of time as requested by the Department.

- **MFMP Transaction Fee Report:** The Contractor is required to submit monthly Transaction Fee Reports in the Department's electronic format. Reports are due 15 calendar days after the end of the reporting period. For information on how to submit Transaction Fee Reports online, please reference the detailed fee reporting instructions and Vendor training presentations available online at the Transaction Fee Reporting and Vendor Training subsections under Vendor on the MFMP website: MFMP Transaction Fee and Reporting. Assistance is also available with the Transaction Fee Reporting System from the MFMP Customer Service Desk by email at [feeprocessing@myfloridamarketplace.com](mailto:feeprocessing@myfloridamarketplace.com) or telephone 866-FLA-EPRO (866- 352-3776) from 8:00 a.m. to 6:00 p.m. Eastern Time.
8. **Ad hoc Reports:** The Department reserves the right to require additional reports or information pertaining to this Contract and any resulting purchase orders or contracts with customers. The Contractor must submit the report or information within five (5) business days after receipt of a Department request, unless otherwise approved by the Department.
  9. **Financial Consequences:** The following financial consequences will apply for nonperformance of the contract by a Contractor. The State reserves the right to withhold payment or implement other appropriate remedies, such as contract termination or nonrenewal, when the Contractor has failed to perform/comply with provisions of the Contract. These consequences for non-performance are not to be considered penalties.

The financial consequences will be paid via check or money order and made out to the

DocuSign Envelope ID: A11D4769-4304-42EF-B964-E38147568EB0

Department of Management Services in US Dollars within thirty (30) calendar days after the required report submission date. These consequences are individually assessed for failures over each target period beginning with the first full month or quarter of the contract performance and every quarter thereafter.

Performance Metrics	Description	Performance Target	Frequency	Financial Consequence for Non-Performance (Per Day Late)
Quarterly Sales Report Submission	Quarterly Sales Report are due on or before the 15 <sup>th</sup> calendar day after close of a quarter.	100%	Quarterly	\$250
Monthly Transaction Fee Report	Transaction Fee Report are due on or before the 15 <sup>th</sup> calendar day after close of the period.	100%	Monthly	\$100

10. If the Department determines that the Contractor has failed to meet requirements listed in the table above, the Department may assess the Contractor a fee as listed in the Financial Consequences. The Department, in its sole discretion, may extend the time of performance for excusable delays due to unforeseeable causes beyond the Contractor's control.

These consequences of non-performance shall not be considered penalties.

11. Business Review Meetings: The Department reserves the right to schedule business review meetings as frequently as necessary. The Participating State will provide the format for the Contractor's agenda. Prior to the meeting, the Contractor shall submit the completed agenda to the Participating State/Entity for review and acceptance. The Contractor shall address the agenda items and any of the Participating State's additional concerns at the meeting. At minimum, the parties shall meet to discuss:

- Program compliance
- Program trending review
- Savings report: Hard dollar and soft dollar
- Spend report
- Subcontractor and contingent staff performance
- Recommendations for improved compliance and performance

Failure to comply with this section may result in the Contractor being found in default and Contract termination.

12. Certification of Drug-Free Workplace: In executing this Contract, Contractor certifies that it has implemented a drug-free workforce program.
13. Subcontractors: The Contractor may use resellers in order to provide equipment and services. All resellers shall be the direct responsibility of the Contractor. The Contractor is responsible for all liability, terms and conditions within the Master Agreement and this Contract. The Contractor's resellers participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement and this Contract. If a reseller is authorized to conduct business on behalf of the Contractor and the reseller is to receive compensation from the Contractor for its services, then any dispute between the Contractor and the reseller shall be resolved between the Contractor and the reseller.

The State of Florida is not a party to any agreement entered into between the Contractor and its resellers. The Contractor shall be responsible to report all contract sales (and pay any associated MFMP transaction fees), including those of any such resellers and shall ensure that all such resellers meet the following requirements:

DocuSign Envelope ID: A11D4769-4304-42EF-B964-E38147568EB0

The State of Florida is not a party to any agreement entered into between the Contractor and its resellers. The Contractor shall be responsible to report all contract sales (and pay any associated MFMP transaction fees), including those of any such resellers and shall ensure that all such resellers meet the following requirements:

The Contractor shall be responsible for reporting all contract sales (and pay any associated MFMP transaction fees), including those of any such subcontractors, and shall ensure that all such subcontractors meet the following requirements:

- Have an ACTIVE business registration with the Florida Department of State, Division of Corporations, which can be found at: <https://dos.myflorida.com/sunbiz/> (unless, pursuant to Florida Statutes, the subcontractor is not required to register);
- Be registered in the MFMP Vendor Information Portal: <https://vendor.myfloridamarketplace.com/>;
- Not be on the State of Florida's Convicted, Suspended, or Discriminatory Vendor's Lists, which can be found at: [https://www.dms.myflorida.com/business\\_operations/state\\_purchasing/state\\_agency\\_resources/vendor\\_registration\\_and\\_vendor\\_lists](https://www.dms.myflorida.com/business_operations/state_purchasing/state_agency_resources/vendor_registration_and_vendor_lists;);
- Have a copy of the e-Verify Status for any subcontractor employees who provide equipment or services under the Contract and provide such to the Department upon request; and
- Have a current W-9 filed with the Florida Department of Financial Services, which can be found at: <https://flivendor.myfloridacfo.com>.

**Exhibit B**

**SPECIAL CONTRACT CONDITIONS  
JULY 1, 2019 VERSION**

Table of Contents

SECTION 1. DEFINITION..... 2

SECTION 2. CONTRACT TERM AND TERMINATION..... 2

SECTION 3. PAYMENT AND FEES..... 3

SECTION 4. CONTRACT MANAGEMENT..... 4

SECTION 5. COMPLIANCE WITH LAWS..... 6

SECTION 6. MISCELLANEOUS..... 7

SECTION 7. LIABILITY AND INSURANCE..... 9

SECTION 8. PUBLIC RECORDS, TRADE SECRETS, DOCUMENT MANAGEMENT, AND INTELLECTUAL  
PROPERTY..... 10

SECTION 9. DATA SECURITY..... 12

SECTION 10. GRATUITIES, LOBBYING, AND COMMUNICATIONS..... 13

SECTION 11. CONTRACT MONITORING..... 14

SECTION 12. CONTRACT AUDITS..... 15

SECTION 13. BACKGROUND SCREENING AND SECURITY..... 16

SECTION 14. WARRANTY OF CONTRACTOR’S ABILITY TO PERFORM..... 17

**In accordance with Rule 60A-1.002(7), F.A.C., Form PUR 1000 is included herein by reference but is superseded in its entirety by these Special Contract Conditions.**

## **SECTION 1. DEFINITION.**

The following definition applies in addition to the definitions in Chapter 287, Florida Statutes (F.S.), and Rule Chapter 60A-1, Florida Administrative Code (F.A.C.):

### **1.1 Customer.**

The agency or eligible user that purchases commodities or contractual services pursuant to the Contract.

## **SECTION 2. CONTRACT TERM AND TERMINATION.**

### **2.1 Initial Term.**

The initial term will begin on the date set forth in the Contract documents or on the date the Contract is signed by all Parties, whichever is later.

### **2.2 Renewal.**

Upon written agreement, the Department and the Contractor may renew the Contract in whole or in part only as set forth in the Contract documents, and in accordance with section 287.057(13), F.S.

### **2.3 Suspension of Work and Termination.**

#### **2.3.1 Suspension of Work.**

The Department may, at its sole discretion, suspend any or all activities under the Contract, at any time, when it is in the best interest of the State of Florida to do so. The Customer may suspend a resulting contract or purchase order, at any time, when in the best interest of the Customer to do so. The Department or Customer will provide the Contractor written notice outlining the particulars of the suspension. After receiving a suspension notice, the Contractor must comply with the notice and will cease the performance of the Contract or purchase order. Suspension of work will not entitle the Contractor to any additional compensation. The Contractor will not resume performance of the Contract or purchase order until so authorized by the Department.

#### **2.3.2 Termination for Convenience.**

The Contract may be terminated by the Department in whole or in part at any time, in the best interest of the State of Florida. If the Contract is terminated before performance is completed, the Contractor will be paid only for that work satisfactorily performed for which costs can be substantiated. Such payment, however, may not exceed an amount which is the same percentage of the Contract price as the amount of work satisfactorily performed. All work in progress will become the property of the Customer and will be turned over promptly by the Contractor.

#### **2.3.3 Termination for Cause.**

If the performance of the Contractor is not in compliance with the Contract requirements or the Contractor has defaulted, the Department may:

- (a) immediately terminate the Contract;
- (b) notify the Contractor of the noncompliance or default, require correction, and specify the date by which the correction must be completed before the Contract is terminated; or
- (c) take other action deemed appropriate by the Department.

### **SECTION 3. PAYMENT AND FEES.**

#### **3.1 Pricing.**

The Contractor will not exceed the pricing set forth in the Contract documents.

#### **3.2 Price Decreases.**

The following price decrease terms will apply to the Contract:

**3.2.1 Quantity Discounts.** Contractor may offer additional discounts for one-time delivery of large single orders;

**3.2.2 Preferred Pricing.** The Contractor guarantees that the pricing indicated in this Contract is a maximum price. Additionally, Contractor's pricing will not exceed the pricing offered under comparable contracts. Comparable contracts are those that are similar in size, scope, and terms. In compliance with section 216.0113, F.S., Contractor must annually submit an affidavit from the Contractor's authorized representative attesting that the Contract complies with this clause.

Clarification: Grainger accepts the terms in this section as written and will annually submit an affidavit attesting to the fact that we guarantee that the pricing indicated in this Contract is a maximum price and that Grainger's pricing will not exceed the contract pricing offered under comparable contracts. Comparable contracts as defined by this Statute are those that are similar in size, scope, and terms. Given the vagueness of this definition and wide variety of Grainger commercial and government customers that arguably are or are not similar in size, scope and terms, we request that the focus of our attestation in compliance with section 216.0113, F.S., be focused on NASPO affiliated States and that reference to pricing parity be defined as NASPO contract published pricing.

**3.2.3 Sales Promotions.** In addition to decreasing prices for the balance of the Contract term due to a change in market conditions, the Contractor may conduct sales promotions involving price reductions for a specified lesser period. The Contractor must submit documentation identifying the proposed: (1) starting and ending dates of the promotion, (2) commodities or contractual services involved, and (3) promotional prices compared to then-authorized prices.

#### **3.3 Payment Invoicing.**

The Contractor will be paid upon submission of invoices to the Customer after delivery and acceptance of commodities or contractual services is confirmed by the Customer. Invoices must contain sufficient detail for an audit and contain the Contract Number and the Contractor's Federal Employer Identification Number.

#### **3.4 Purchase Order.**

A Customer may use purchase orders to buy commodities or contractual services pursuant to the Contract and, if applicable, the Contractor must provide commodities or contractual services pursuant to purchase orders. Purchase orders issued pursuant to the Contract must be received by the Contractor no later than the close of business on the last day of the Contract's term. The Contractor is required to accept timely purchase orders specifying delivery schedules that extend beyond the Contract term even when such extended delivery will occur after expiration of the Contract. Purchase orders shall be valid through their specified term and performance by the Contractor, and all terms and conditions of the Contract shall survive the termination or expiration of the Contract and apply to the Contractor's performance. The duration of purchase orders for recurring deliverables shall not exceed the expiration of the Contract by more than twelve months. Any purchase order terms and conditions conflicting with these Special Contract Conditions shall not become a part of the Contract.

### 3.5 Travel.

Travel expenses are not reimbursable unless specifically authorized by the Customer in writing and may be reimbursed only in accordance with section 112.061, F.S.

### 3.6 Annual Appropriation.

Pursuant to section 287.0582, F.S., if the Contract binds the State of Florida or an agency for the purchase of services or tangible personal property for a period in excess of one fiscal year, the State of Florida's performance and obligation to pay under the Contract is contingent upon an annual appropriation by the Legislature.

### 3.7 Transaction Fees.

The State of Florida, through the Department of Management Services, has instituted MyFloridaMarketPlace, a statewide eProcurement system pursuant to section 287.057(22), F.S. All payments issued by Customers to registered Vendors for purchases of commodities or contractual services will be assessed Transaction Fees as prescribed by rule 60A-1.031, F.A.C., or as may otherwise be established by law. Vendors must pay the Transaction Fees and agree to automatic deduction of the Transaction Fees when automatic deduction becomes available. Vendors will submit any monthly reports required pursuant to the rule. All such reports and payments will be subject to audit. Failure to comply with the payment of the Transaction Fees or reporting of transactions will constitute grounds for declaring the Vendor in default and subject the Vendor to exclusion from business with the State of Florida.

### 3.8 Taxes.

Taxes, customs, and tariffs on commodities or contractual services purchased under the Contract will not be assessed against the Customer or Department unless authorized by Florida law.

### 3.9 Return of Funds.

Contractor will return any overpayments due to unearned funds or funds disallowed pursuant to the terms of the Contract that were disbursed to the Contractor. The Contractor must return any overpayment within forty (40) calendar days after either discovery by the Contractor, its independent auditor, or notification by the Department or Customer of the overpayment.

## **SECTION 4. CONTRACT MANAGEMENT.**

### 4.1 Composition and Priority.

The Contractor agrees to provide commodities or contractual services to the Customer as specified in the Contract. Additionally, the terms of the Contract supersede the terms of all prior agreements between the Parties on this subject matter.

### 4.2 Notices.

All notices required under the Contract must be delivered to the designated Contract Manager in a manner identified by the Department.

### 4.3 Department's Contract Manager.

The Department's Contract Manager, who is primarily responsible for the Department's oversight of the Contract, will be identified in a separate writing to the Contractor upon Contract signing in the following format:

Department's Contract Manager Name

DocuSign Envelope ID: A11D4769-4304-42EF-B964-E38147568EB0

Department's Name  
Department's Physical Address  
Department's Telephone #  
Department's Email Address

If the Department changes the Contract Manager, the Department will notify the Contractor. Such a change does not require an amendment to the Contract.

#### 4.4 Contractor's Contract Manager.

The Contractor's Contract Manager, who is primarily responsible for the Contractor's oversight of the Contract performance, will be identified in a separate writing to the Department upon Contract signing in the following format:

Contractor's Contract Manager Name  
Contractor's Name  
Contractor's Physical Address  
Contractor's Telephone #  
Contractor's Email Address

If the Contractor changes its Contract Manager, the Contractor will notify the Department. Such a change does not require an amendment to the Contract.

#### 4.5 Diversity.

##### 4.5.1 Office of Supplier Diversity.

The State of Florida supports its diverse business community by creating opportunities for woman-, veteran-, and minority-owned small business enterprises to participate in procurements and contracts. The Department encourages supplier diversity through certification of woman-, veteran-, and minority-owned small business enterprises and provides advocacy, outreach, and networking through regional business events. For additional information, please contact the Office of Supplier Diversity (OSD) at [osdinfo@dms.myflorida.com](mailto:osdinfo@dms.myflorida.com).

##### 4.5.2 Diversity Reporting.

Upon request, the Contractor will report to the Department its spend with business enterprises certified by the OSD. These reports must include the time period covered, the name and Federal Employer Identification Number of each business enterprise utilized during the period, commodities and contractual services provided by the business enterprise, and the amount paid to the business enterprise on behalf of each agency purchasing under the Contract.

#### 4.6 RESPECT.

Subject to the agency determination provided for in section 413.036, F.S., the following statement applies:

**IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ANY ARTICLES THAT ARE THE SUBJECT OF, OR REQUIRED TO CARRY OUT, THIS CONTRACT SHALL BE PURCHASED FROM A NONPROFIT AGENCY FOR THE BLIND OR FOR THE SEVERELY HANDICAPPED THAT IS QUALIFIED PURSUANT TO CHAPTER 413, FLORIDA STATUTES, IN THE SAME MANNER AND UNDER THE SAME PROCEDURES SET FORTH IN SECTION 413.036(1) AND (2), FLORIDA STATUTES;**

AND FOR PURPOSES OF THIS CONTRACT THE PERSON, FIRM, OR OTHER BUSINESS ENTITY CARRYING OUT THE PROVISIONS OF THIS CONTRACT SHALL BE DEEMED TO BE SUBSTITUTED FOR THE STATE AGENCY INSOFAR AS DEALINGS WITH SUCH QUALIFIED NONPROFIT AGENCY ARE CONCERNED.

Additional information about RESPECT and the commodities or contractual services it offers is available at <https://www.respectofflorida.org>.

#### 4.7 PRIDE.

Subject to the agency determination provided for in sections 287.042(1) and 946.515, F.S., the following statement applies:

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ANY ARTICLES WHICH ARE THE SUBJECT OF, OR REQUIRED TO CARRY OUT, THIS CONTRACT SHALL BE PURCHASED FROM THE CORPORATION IDENTIFIED UNDER CHAPTER 946, F.S., IN THE SAME MANNER AND UNDER THE SAME PROCEDURES SET FORTH IN SECTION 946.515(2) AND (4), F.S.; AND FOR PURPOSES OF THIS CONTRACT THE PERSON, FIRM, OR OTHER BUSINESS ENTITY CARRYING OUT THE PROVISIONS OF THIS CONTRACT SHALL BE DEEMED TO BE SUBSTITUTED FOR THIS AGENCY INSOFAR AS DEALINGS WITH SUCH CORPORATION ARE CONCERNED.

Additional information about PRIDE and the commodities or contractual services it offers is available at <https://www.pride-enterprises.org>.

### **SECTION 5. COMPLIANCE WITH LAWS.**

#### 5.1 Conduct of Business.

The Contractor must comply with all laws, rules, codes, ordinances, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and authority. For example, the Contractor must comply with section 274A of the Immigration and Nationality Act, the Americans with Disabilities Act, Health Insurance Portability and Accountability Act, if applicable, and all prohibitions against discrimination on the basis of race, religion, sex, creed, national origin, handicap, marital status, or veteran's status. The provisions of subparagraphs 287.058(1)(a)-(c), and (g), F.S., are hereby incorporated by reference.

#### 5.2 Dispute Resolution, Governing Law, and Venue.

Any dispute concerning performance of the Contract shall be decided by the Department's designated Contract Manager, who will reduce the decision to writing and serve a copy on the Contractor. The decision of the Contract Manager shall be final and conclusive. Exhaustion of this administrative remedy is an absolute condition precedent to the Contractor's ability to pursue legal action related to the Contract or any other form of dispute resolution. The laws of the State of Florida govern the Contract. The Parties submit to the jurisdiction of the courts of the State of Florida exclusively for any legal action related to the Contract. Further, the Contractor hereby waives all privileges and rights relating to venue it may have under Chapter 47, F.S., and all such venue privileges and rights it may have under any other statute, rule, or case law, including, but not limited to, those based on convenience. The Contractor hereby submits to venue in the county chosen by the Department.

#### 5.3 Department of State Registration.

Consistent with Title XXXVI, F.S., the Contractor and any subcontractors that assert status, other than a sole proprietor, must provide the Department with conclusive evidence of a certificate of status, not subject to qualification, if a Florida business entity, or of a certificate of authorization if a foreign business entity.

**5.4 Suspended, Convicted, and Discriminatory Vendor Lists.**

In accordance with sections 287.042, 287.133, and 287.134, F.S., an entity or affiliate who is on the Suspended Vendor List, Convicted Vendor List, or Discriminatory Vendor List may not perform work as a contractor, supplier, subcontractor, or consultant under the Contract. The Contractor must notify the Department if it or any of its suppliers, subcontractors, or consultants have been placed on the Suspended Vendor List, Convicted Vendor List, or Discriminatory Vendor List during the term of the Contract.

**5.5 Scrutinized Companies - Termination by the Department.**

The Department may, at its option, terminate the Contract if the Contractor is found to have submitted a false certification as provided under section 287.135(5), F.S., or been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or been engaged in business operations in Cuba or Syria, or to have been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel.

**5.6 Cooperation with Inspector General and Records Retention.**

Pursuant to section 20.055(5), F.S., the Contractor understands and will comply with its duty to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing. Upon request of the Inspector General or any other authorized State official, the Contractor must provide any information the Inspector General deems relevant to the Contractor's integrity or responsibility. Such information may include, but will not be limited to, the Contractor's business or financial records, documents, or files of any type or form that refer to or relate to the Contract. The Contractor will retain such records for the longer of five years after the expiration of the Contract, or the period required by the General Records Schedules maintained by the Florida Department of State, at the Department of State's Records Management website. The Contractor agrees to reimburse the State of Florida for the reasonable costs of investigation incurred by the Inspector General or other authorized State of Florida official for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the State of Florida which results in the suspension or debarment of the Contractor. Such costs will include but will not be limited to: salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor agrees to impose the same obligations to cooperate with the Inspector General and retain records on any subcontractors used to provide goods or services under the Contract.

**SECTION 6. MISCELLANEOUS.**

**6.1 Subcontractors.**

The Contractor will not subcontract any work under the Contract without prior written consent of the Department. The Contractor is fully responsible for satisfactory completion of all its subcontracted work. The Department supports diversity in its procurements and contracts, and requests that the Contractor offer subcontracting opportunities to certified woman-, veteran-, and minority-owned small businesses. The

Contractor may contact the OSD at [osdhelp@dms.myflorida.com](mailto:osdhelp@dms.myflorida.com) for information on certified small business enterprises available for subcontracting opportunities.

#### 6.2 Assignment.

The Contractor will not sell, assign, or transfer any of its rights, duties, or obligations under the Contract without the prior written consent of the Department. However, the Contractor may waive its right to receive payment and assign same upon notice to the Department. In the event of any assignment, the Contractor remains responsible for performance of the Contract, unless such responsibility is expressly waived by the Department. The Department may assign the Contract with prior written notice to the Contractor.

#### 6.3 Independent Contractor.

The Contractor and its employees, agents, representatives, and subcontractors are independent contractors and not employees or agents of the State of Florida and are not entitled to State of Florida benefits. The Department and Customer will not be bound by any acts or conduct of the Contractor or its employees, agents, representatives, or subcontractors. The Contractor agrees to include this provision in all its subcontracts under the Contract.

#### 6.4 Inspection and Acceptance of Commodities.

##### 6.4.1 Risk of Loss.

Matters of inspection and acceptance are addressed in section 215.422, F.S. Until acceptance, risk of loss or damage will remain with the Contractor. The Contractor will be responsible for filing, processing, and collecting all damage claims. To assist the Contractor with damage claims, the Customer will: record any evidence of visible damage on all copies of the delivering carrier's bill of lading; report damages to the carrier and the Contractor; and provide the Contractor with a copy of the carrier's bill of lading and damage inspection report.

##### 6.4.2 Rejected Commodities.

When a Customer rejects a commodity, Contractor will remove the commodity from the premises within ten (10) calendar days after notification of rejection, and the risk of loss will remain with the Contractor. Commodities not removed by the Contractor within ten (10) calendar days will be deemed abandoned by the Contractor, and the Customer will have the right to dispose of such commodities. Contractor will reimburse the Customer for costs and expenses incurred in storing or effecting removal or disposition of rejected commodities.

#### 6.5 Safety Standards.

Performance of the Contract for all commodities or contractual services must comply with requirements of the Occupational Safety and Health Act and other applicable State of Florida and federal requirements.

#### 6.6 Ombudsman.

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this office are found in section 215.422, F.S., which include disseminating information relative to prompt payment and assisting contractors in receiving their payments in a timely manner from a Customer. The Vendor Ombudsman may be contacted at (850) 413-5516.

**6.7 Time is of the Essence.**

Time is of the essence regarding every obligation of the Contractor under the Contract. Each obligation is deemed material, and a breach of any such obligation (including a breach resulting from untimely performance) is a material breach.

**6.8 Waiver.**

The delay or failure by the Department or the Customer to exercise or enforce any rights under the Contract will not constitute waiver of such rights.

**6.9 Modification and Severability.**

The Contract may only be modified by written agreement between the Department and the Contractor. Should a court determine any provision of the Contract is invalid, the remaining provisions will not be affected, and the rights and obligations of the Parties will be construed and enforced as if the Contract did not contain the provision held invalid.

**6.10 Cooperative Purchasing.**

Pursuant to their own governing laws, and subject to the agreement of the Contractor, governmental entities that are not Customers may make purchases under the terms and conditions contained herein, if agreed to by Contractor. Such purchases are independent of the Contract between the Department and the Contractor, and the Department is not a party to these transactions. Agencies seeking to make purchases under this Contract are required to follow the requirements of Rule 60A-1.045(5), F.A.C.

**SECTION 7. LIABILITY AND INSURANCE.**

**7.1 Workers' Compensation Insurance.**

The Contractor shall maintain workers' compensation insurance as required under the Florida Workers' Compensation Law or the workers' compensation law of another jurisdiction where applicable. The Contractor must require all subcontractors to similarly provide workers' compensation insurance for all of the latter's employees. In the event work is being performed by the Contractor under the Contract and any class of employees performing the work is not protected under Workers' Compensation statutes, the Contractor must provide, and cause each subcontractor to provide, adequate insurance satisfactory to the Department, for the protection of employees not otherwise protected.

**7.2 General Liability Insurance.**

The Contractor must secure and maintain Commercial General Liability Insurance, including bodily injury, property damage, products, personal and advertising injury, and completed operations. This insurance must provide coverage for all claims that may arise from performance of the Contract or completed operations, whether by the Contractor or anyone directly or indirectly employed by the Contractor. Such insurance must include the State of Florida as an additional insured for the entire length of the resulting contract. The Contractor is responsible for determining the minimum limits of liability necessary to provide reasonable financial protections to the Contractor and the State of Florida under the resulting contract.

**7.3 Florida Authorized Insurers.**

All insurance shall be with insurers authorized and eligible to transact the applicable line of insurance business in the State of Florida. The Contractor shall provide Certification(s) of Insurance evidencing that all appropriate coverage is in place and showing the Department to be an additional insured.

#### 7.4 Performance Bond.

Unless otherwise prohibited by law, the Department may require the Contractor to furnish, without additional cost to the Department, a performance bond or irrevocable letter of credit or other form of security for the satisfactory performance of work hereunder. The Department shall determine the type and amount of security.

#### 7.5 Indemnification.

To the extent permitted by Florida law, the Contractor agrees to indemnify, defend, and hold the Customer and the State of Florida, its officers, employees, and agents harmless from all fines, claims, assessments, suits, judgments, or damages, including consequential, special, indirect, and punitive damages, including court costs and attorney's fees, arising from or relating to violation or infringement of a trademark, copyright, patent, trade secret, or intellectual property right or out of any acts, actions, breaches, neglect, or omissions of the Contractor, its employees, agents, subcontractors, assignees, or delegates related to the Contract, as well as for any determination arising out of or related to the Contract that the Contractor or Contractor's employees, agents, subcontractors, assignees, or delegates are not independent contractors in relation to the Customer. The Contract does not constitute a waiver of sovereign immunity or consent by the Customer or the State of Florida or its subdivisions to suit by third parties. Without limiting this indemnification, the Customer may provide the Contractor (1) written notice of any action or threatened action, (2) the opportunity to take over and settle or defend any such action at Contractor's sole expense, and (3) assistance in defending the action at Contractor's sole expense.

#### 7.6 Limitation of Liability.

Unless otherwise specifically enumerated in the Contract or in the purchase order, neither the Department nor the Customer shall be liable for special, indirect, punitive, or consequential damages, including lost data or records (unless the Contract or purchase order requires the Contractor to back-up data or records), even if the Department or Customer has been advised that such damages are possible. Neither the Department nor the Customer shall be liable for lost profits, lost revenue, or lost institutional operating savings. The Department or Customer may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor as may be necessary to satisfy any claim for damages, penalties, costs, and the like asserted by or against them. The State may set off any liability or other obligation of the Contractor or its affiliates to the State against any payments due the Contractor under any contract with the State.

### **SECTION 8. PUBLIC RECORDS, TRADE SECRETS, DOCUMENT MANAGEMENT, AND INTELLECTUAL PROPERTY.**

#### 8.1 Public Records.

##### 8.1.1 Termination of Contract.

The Department may terminate the Contract for refusal by the Contractor to comply with this section by not allowing access to all public records, as defined in Chapter 119, F. S., made or received by the Contractor in conjunction with the Contract.

#### 8.1.2 Statutory Notice.

Pursuant to section 119.0701(2)(a), F.S., for contracts for services with a contractor acting on behalf of a public agency, as defined in section 119.011(2), F.S., the following applies:

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT THE TELEPHONE NUMBER, EMAIL ADDRESS, AND MAILING ADDRESS PROVIDED IN THE RESULTING CONTRACT OR PURCHASE ORDER.**

Pursuant to section 119.0701(2)(b), F.S., for contracts for services with a contractor acting on behalf of a public agency as defined in section 119.011(2), F.S., the Contractor shall:

- (a) Keep and maintain public records required by the public agency to perform the service.
- (b) Upon request from the public agency's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, F.S., or as otherwise provided by law.
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure are not disclosed except as authorized by law for the duration of the Contract term and following the completion of the Contract if the Contractor does not transfer the records to the public agency.
- (d) Upon completion of the Contract, transfer, at no cost, to the public agency all public records in possession of the Contractor or keep and maintain public records required by the public agency to perform the service. If the Contractor transfers all public records to the public agency upon completion of the Contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the Contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

#### 8.2 Protection of Trade Secrets or Otherwise Confidential Information.

##### 8.2.1 Contractor Designation of Trade Secrets or Otherwise Confidential Information.

If the Contractor considers any portion of materials to be trade secret under section 688.002 or 812.081, F.S., or otherwise confidential under Florida or federal law, the Contractor must clearly designate that portion of the materials as trade secret or otherwise confidential when submitted to the Department. The Contractor will be

responsible for responding to and resolving all claims for access to Contract-related materials it has designated trade secret or otherwise confidential.

#### 8.2.2 Public Records Requests.

If the Department receives a public records request for materials designated by the Contractor as trade secret or otherwise confidential under Florida or federal law, the Contractor will be responsible for taking the appropriate legal action in response to the request. If the Contractor fails to take appropriate and timely action to protect the materials designated as trade secret or otherwise confidential, the Department will provide the materials to the requester.

#### 8.2.3 Indemnification Related to Confidentiality of Materials.

The Contractor will protect, defend, indemnify, and hold harmless the Department for claims, costs, fines, and attorney's fees arising from or relating to its designation of materials as trade secret or otherwise confidential.

#### 8.3 Document Management.

The Contractor must retain sufficient documentation to substantiate claims for payment under the Contract and all other records, electronic files, papers, and documents that were made in relation to this Contract. The Contractor must retain all documents related to the Contract for five (5) years after expiration of the Contract or, if longer, the period required by the General Records Schedules maintained by the Florida Department of State available at the Department of State's Records Management website.

#### 8.4 Intellectual Property.

##### 8.4.1 Ownership.

Unless specifically addressed otherwise in the Contract, the State of Florida shall be the owner of all intellectual property rights to all property created or developed in connection with the Contract.

##### 8.4.2 Patentable Inventions or Discoveries.

Any inventions or discoveries developed in the course, or as a result, of services in connection with the Contract that are patentable pursuant to 35 U.S.C. § 101 are the sole property of the State of Florida. Contractor must inform the Customer of any inventions or discoveries developed or made through performance of the Contract, and such inventions or discoveries will be referred to the Florida Department of State for a determination on whether patent protection will be sought. The State of Florida will be the sole owner of all patents resulting from any invention or discovery made through performance of the Contract.

##### 8.4.3 Copyrightable Works.

Contractor must notify the Department or State of Florida of any publications, artwork, or other copyrightable works developed in connection with the Contract. All copyrights created or developed through performance of the Contract are owned solely by the State of Florida.

### **SECTION 9. DATA SECURITY.**

The Contractor will maintain the security of State of Florida data including, but not limited to, maintaining a secure area around any displayed visible data and ensuring data is stored and secured when not in use. The Contractor and subcontractors will not perform any of the services from outside of the United States, and the Contractor will not allow any State of Florida data to be sent by any medium, transmitted, or accessed outside the United States due to Contractor's action or inaction. In the event of a security breach involving State of Florida data, the Contractor shall give notice to the Customer and the Department within one business day. "Security breach" for purposes of this section will refer to a confirmed event that compromises the confidentiality, integrity, or availability of data. Once a data breach has been contained, the Contractor must provide the Department with a post-incident report documenting all containment, eradication, and recovery measures taken. The Department reserves the right in its sole discretion to enlist a third party to audit Contractor's findings and produce an independent report, and the Contractor will fully cooperate with the third party. The Contractor will also comply with all HIPAA requirements and any other state and federal rules and regulations regarding security of information.

## **SECTION 10. GRATUITIES, LOBBYING, AND COMMUNICATIONS.**

### **10.1 Gratuities.**

The Contractor will not, in connection with this Contract, directly or indirectly (1) offer, give, or agree to give anything of value to anyone as consideration for any State of Florida officer's or employee's decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty, or (2) offer, give, or agree to give to anyone anything of value for the benefit of, or at the direction or request of, any State of Florida officer or employee.

### **10.2 Lobbying.**

In accordance with sections 11.062 and 216.347, F.S., Contract funds are not to be used for the purpose of lobbying the Legislature, the judicial branch, or the Department. Pursuant to section 287.058(6), F.S., the Contract does not prohibit the Contractor from lobbying the executive or legislative branch concerning the scope of services, performance, term, or compensation regarding the Contract after the Contract is executed and during the Contract term.

### **10.3 Communications.**

#### **10.3.1 Contractor Communication or Disclosure.**

The Contractor shall not make any public statements, press releases, publicity releases, or other similar communications concerning the Contract or its subject matter or otherwise disclose or permit to be disclosed any of the data or other information obtained or furnished in compliance with the Contract, without first notifying the Customer's Contract Manager and securing the Customer's prior written consent.

#### **10.3.2 Use of Customer Statements.**

The Contractor shall not use any statement attributable to the Customer or its employees for the Contractor's promotions, press releases, publicity releases, marketing, corporate communications, or other similar communications, without first notifying the Customer's Contract Manager and securing the Customer's prior written consent.

## **SECTION 11. CONTRACT MONITORING.**

### **11.1 Performance Standards.**

The Contractor agrees to perform all tasks and provide deliverables as set forth in the Contract. The Department and the Customer will be entitled at all times, upon request, to be advised as to the status of work being done by the Contractor and of the details thereof.

### **11.2 Performance Deficiencies and Financial Consequences of Non-Performance.**

#### **11.2.1 Proposal of Corrective Action Plan.**

In addition to the processes set forth in the Contract (e.g., service level agreements), if the Department or Customer determines that there is a performance deficiency that requires correction by the Contractor, then the Department or Customer will notify the Contractor. The correction must be made within a time-frame specified by the Department or Customer. The Contractor must provide the Department or Customer with a corrective action plan describing how the Contractor will address all performance deficiencies identified by the Department or Customer.

#### **11.2.2 Retainage for Unacceptable Corrective Action Plan or Plan Failure.**

If the corrective action plan is unacceptable to the Department or Customer, or implementation of the plan fails to remedy the performance deficiencies, the Department or Customer will retain ten percent (10%) of the total invoice amount. The retainage will be withheld until the Contractor resolves the performance deficiencies. If the performance deficiencies are resolved, the Contractor may invoice the Department or Customer for the retained amount. If the Contractor fails to resolve the performance deficiencies, the retained amount will be forfeited to compensate the Department or Customer for the performance deficiencies.

### **11.3 Performance Delay.**

#### **11.3.1 Notification.**

The Contractor will promptly notify the Department or Customer upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion (or delivery) of any commodity or contractual service. The Contractor will use commercially reasonable efforts to avoid or minimize any delays in performance and will inform the Department or the Customer of the steps the Contractor is taking or will take to do so, and the projected actual completion (or delivery) time. If the Contractor believes a delay in performance by the Department or the Customer has caused or will cause the Contractor to be unable to perform its obligations on time, the Contractor will promptly so notify the Department and use commercially reasonable efforts to perform its obligations on time notwithstanding the Department's delay.

#### **11.3.2 Liquidated Damages.**

The Contractor acknowledges that delayed performance will damage the Department/Customer, but by their nature such damages are difficult to ascertain. Accordingly, the liquidated damages provisions stated in the Contract documents will apply. Liquidated damages are not intended to be a penalty and are solely intended to compensate for damages.

### **11.4 Force Majeure, Notice of Delay, and No Damages for Delay.**

The Contractor will not be responsible for delay resulting from its failure to perform if neither the fault nor the negligence of the Contractor or its employees or agents contributed to the delay, and the delay is due directly to fire, explosion, earthquake, windstorm, flood, radioactive or toxic chemical hazard, war, military hostilities, terrorism, civil emergency, embargo, riot, strike, violent civil unrest, or other similar cause wholly beyond the Contractor's reasonable control, or for any of the foregoing that affect subcontractors or suppliers if no alternate source of supply is available to the Contractor. The foregoing does not excuse delay which could have been avoided if the Contractor implemented any risk mitigation required by the Contract. In case of any delay the Contractor believes is excusable, the Contractor will notify the Department in writing of the delay or potential delay and describe the cause of the delay either (1) within ten (10) calendar days after the cause that created or will create the delay first arose, if the Contractor could reasonably foresee that a delay could occur as a result, or (2) if delay is not reasonably foreseeable, within five (5) calendar days after the date the Contractor first had reason to believe that a delay could result. The foregoing will constitute the Contractor's sole remedy or excuse with respect to delay. Providing notice in strict accordance with this paragraph is a condition precedent to such remedy. No claim for damages will be asserted by the Contractor. The Contractor will not be entitled to an increase in the Contract price or payment of any kind from the Department for direct, indirect, consequential, impact or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency, arising because of delay, disruption, interference, or hindrance from any cause whatsoever. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this paragraph, after the causes have ceased to exist the Contractor will perform at no increased cost, unless the Department determines, in its sole discretion, that the delay will significantly impair the value of the Contract to the State of Florida or to Customers, in which case the Department may (1) accept allocated performance or deliveries from the Contractor, provided that the Contractor grants preferential treatment to Customers and the Department with respect to commodities or contractual services subjected to allocation, or (2) purchase from other sources (without recourse to and by the Contractor for the related costs and expenses) to replace all or part of the commodity or contractual services that are the subject of the delay, which purchases may be deducted from the Contract quantity, or (3) terminate the Contract in whole or in part.

## **SECTION 12. CONTRACT AUDITS.**

### **12.1 Performance or Compliance Audits.**

The Department may conduct or have conducted performance and/or compliance audits of the Contractor and subcontractors as determined by the Department. The Department may conduct an audit and review all the Contractor's and subcontractors' data and records that directly relate to the Contract. To the extent necessary to verify the Contractor's fees and claims for payment under the Contract, the Contractor's agreements or contracts with subcontractors, partners, or agents of the Contractor, pertaining to the Contract, may be inspected by the Department upon fifteen (15) calendar days' notice, during normal working hours and in accordance with the Contractor's facility access procedures where facility access is required. Release statements from its subcontractors, partners, or agents are not required for the Department or its designee to conduct compliance and performance audits on any of the Contractor's contracts relating to this Contract. The Inspector General, in accordance with section 5.6, the State of Florida's Chief Financial Officer, the Office of the Auditor General also have authority to perform audits and inspections.

#### 12.2 Payment Audit.

Records of costs incurred under terms of the Contract will be maintained in accordance with section 8.3 of these Special Contract Conditions. Records of costs incurred will include the Contractor's general accounting records, together with supporting documents and records of the Contractor and all subcontractors performing work, and all other records of the Contractor and subcontractors considered necessary by the Department, the State of Florida's Chief Financial Officer, or the Office of the Auditor General.

### **SECTION 13. BACKGROUND SCREENING AND SECURITY.**

#### 13.1 Background Check.

The Department or Customer may require the Contractor to conduct background checks of its employees, agents, representatives, and subcontractors as directed by the Department or Customer. The cost of the background checks will be borne by the Contractor. The Department or Customer may require the Contractor to exclude the Contractor's employees, agents, representatives, or subcontractors based on the background check results. In addition, the Contractor must ensure that all persons have a responsibility to self-report to the Contractor within three (3) calendar days any arrest for any disqualifying offense. The Contractor must notify the Contract Manager within twenty-four (24) hours of all details concerning any reported arrest. Upon the request of the Department or Customer, the Contractor will re-screen any of its employees, agents, representatives, and subcontractors during the term of the Contract.

#### 13.2 E-Verify.

The Contractor must use the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired during the term of the Contract for the services specified in the Contract. The Contractor must include a requirement in subcontracts that the subcontractor must utilize the E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the Contract term. In order to implement this provision, the Contractor must provide a copy of its DHS Memorandum of Understanding (MOU) to the Contract Manager within five (5) calendar days of Contract execution. If the Contractor is not enrolled in DHS E-Verify System, it will do so within five (5) calendar days of notice of Contract award and provide the Contract Manager a copy of its MOU within five (5) calendar days of Contract execution. The link to E-Verify is <https://www.uscis.gov/e-verify>. Upon each Contractor or subcontractor new hire, the Contractor must provide a statement within five (5) calendar days to the Contract Manager identifying the new hire with its E-Verify case number.

#### 13.3 Disqualifying Offenses.

If at any time it is determined that a person has been found guilty of a misdemeanor or felony offense as a result of a trial or has entered a plea of guilty or nolo contendere, regardless of whether adjudication was withheld, within the last six (6) years from the date of the court's determination for the crimes listed below, or their equivalent in any jurisdiction, the Contractor is required to immediately remove that person from any position with access to State of Florida data or directly performing services under the Contract. The disqualifying offenses are as follows:

- (a) Computer related crimes;
- (b) Information technology crimes;

- (c) Fraudulent practices;
- (d) False pretenses;
- (e) Frauds;
- (f) Credit card crimes;
- (g) Forgery;
- (h) Counterfeiting;
- (i) Violations involving checks or drafts;
- (j) Misuse of medical or personnel records; and
- (k) Felony theft.

#### 13.4 Confidentiality.

The Contractor must maintain confidentiality of all confidential data, files, and records related to the commodities or contractual services provided pursuant to the Contract and must comply with all state and federal laws, including, but not limited to sections 381.004, 384.29, 392.65, and 456.057, F.S. The Contractor's confidentiality procedures must be consistent with the most recent version of the Department security policies, protocols, and procedures. The Contractor must also comply with any applicable professional standards with respect to confidentiality of information.

#### **SECTION 14. WARRANTY OF CONTRACTOR'S ABILITY TO PERFORM.**

The Contractor warrants that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish the Contractor's ability to satisfy its Contract obligations. The Contractor warrants that neither it nor any affiliate is currently on the Suspended Vendor List, Convicted Vendor List, or the Discriminatory Vendor List, or on any similar list maintained by any other state or the federal government. The Contractor shall immediately notify the Department in writing if its ability to perform is compromised in any manner during the term of the Contract.

**Exhibit C  
State of Florida Price Sheet**

Percentage Discount Off Product Category

<b>Product Category</b>	<b>Florida Discount</b>
Janitorial Equipment & Supplies (does not include Sanitation Cleaning Chemicals)	20%
Sanitation Cleaning Chemicals & Supplies (does not include Janitorial Equipment & Supplies)	25%
Fasteners	38%
Material Handling	14%
Plumbing	23%
Power Source	22%
Outdoor Garden	16%
Lamps, Lighting, Ballasts	25%
HVAC *Grainger offers a deeper discount of 43% on HVAC Filters.	20%
Hand Tools	17%
Power Tools (excluding automotive related tools and products)	14%
Electrical	26%
Paint	16%
Security	20%
Safety *Grainger offer includes Facility Safety, Footwear, and People Safety.	22%

**MASTER AGREEMENT # 8496  
FORM PARTICIPATING ADDENDUM  
EXHIBIT D**

NASPO ValuePoint  
**PARTICIPATING ADDENDUM**



**Facilities Maintenance and Repair &  
Operations (MRO) and Industrial Supplies**  
Lead by the State of Oregon

Master Agreement #: 8496

Contractor: **W.W. Grainger Inc. (Contractor)**

Participating Entity: **State of Florida**

The following goods or services are included in this Addendum:

- Facilities Maintenance and Repair & Operations (MRO) and Industrial Supplies

**Master Agreement Terms and Conditions:**

Participation:

The Department is authorized by section 287.042(16), Florida Statutes, "To evaluate contracts let by the Federal Government, another state, or a political subdivision for the provision of commodities and contract services, and, if it is determined in writing to be cost-effective and in the best interest of the state, to enter into a written agreement authorizing an agency to make purchases under such contract."

1. Primary Contacts: The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor

Name: W.W. Grainger, Inc.

Address: 3924 West Pensacola Street, Tallahassee, Florida 32304

Telephone: (770) 722-2459

Fax: (850) 575-1764

Email: [Kevin.Sandt@grainger.com](mailto:Kevin.Sandt@grainger.com)

Participating Entity

Name: The Department of Management Services

Address: 4050 Esplanade Way, Tallahassee, FL 32399-0950

Telephone: (850) 488-8440

Fax: (850) 414-6122

Email: [purchasingcustomerservice@dms.myflorida.com](mailto:purchasingcustomerservice@dms.myflorida.com)

2. Participating Entity Modifications or Additions to the Master Agreement

These modifications or additions apply only to actions and relationships within the Participating Entity.

Participating Entity must check one of the boxes below.

No changes to the terms and conditions of the Master Agreement are required.

The following changes are modifying or supplementing the Master Agreement terms and conditions.

*Exhibit A – Additional Special Contract Conditions*

*Exhibit B – Special Contract Conditions*

*Exhibit C – State of Florida Price Sheet*

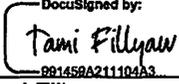
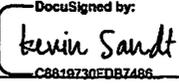
3. **“Reserved”**.

4. **Subcontractors:** All contactors, dealers, and resellers authorized in the State of Florida, as shown on the dedicated Contractor (cooperative contract) website, are approved to provide sales and service support to participants in the NASPO ValuePoint Master Agreement. The contractor’s dealer participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.

5. **Orders:** Any order placed by a Customer for a product and/or service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions) of the Master Agreement unless the parties to the order agree in writing that another contract or agreement applies to such order.

DocuSign Envelope ID: A11D4769-4304-42EF-B964-E38147568EB0

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

State of Florida: Florida Department of Management Services	Contractor: W.W. Grainger, Inc.
Signature:  <small>DocuSigned by: 881458A21110433</small>	Signature:  <small>DocuSigned by: C8818730EDB7488</small>
Name: Tami Fillyaw	Name: Kevin Sandt
Title: Chief of Staff	Title: Sr. Government Sales Manager
Date: 6/29/2020   8:53 PM EDT	Date: 6/29/2020   1:49 PM EDT

**NASPO ValuePoint**

Cooperative Development Coordinator: Ted Fosket  
Telephone: (360) 339-7998  
Email: [tfosket@naspovaluepoint.org](mailto:tfosket@naspovaluepoint.org)

***[Please email fully executed PDF copy of this document to [PA@naspovaluepoint.org](mailto:PA@naspovaluepoint.org) to support documentation of participation and posting in appropriate data bases.]***



**NASPO ValuePoint Master Agreement #8496  
for  
Facilities Maintenance and Repair & Operations (MRO) and  
Industrial Supplies**

This NASPO ValuePoint Master Agreement ("Master Agreement") is between the State of Oregon, acting by and through the Department of Administrative Services, Enterprise Goods and Services, Procurement Services ("DAS PS"), as the Lead State, on behalf of the member states of the NASPO ValuePoint Cooperative Purchasing Program and other Participating Entities and W.W. Grainger, Inc. ("Contractor"). This Master Agreement is effective on the date that it has been signed by the parties and has been approved as required by applicable law ("Effective Date").

---

**1. Master Agreement Order of Precedence**

a. Any Order placed under this Master Agreement shall consist of the following documents:

- (1) A Participating Entity's Participating Addendum ("PA"), substantially in the form attached hereto as Exhibit A;
- (2) NASPO ValuePoint Master Agreement and its exhibits:  
Terms and conditions of the Master Agreement, then its exhibits, to be interpreted in the following order:
  - Exhibit C - Provisions Required by Federal Law
  - Exhibit B - Description of Products, Price, and Services
  - Exhibit B-1 - Percentage Off Discounts
  - Exhibit E - Contractor Branch and Distribution Center Listings
  - eMarket Center Addendum
  - Exhibit D - NASPO ValuePoint Detailed Sales Data Report Form
  - Exhibit A - Sample Participating Addendum
  - Exhibit F - Sustainability and Environmental Policy
- (3) A Purchase Order issued against the Master Agreement;
- (4) Any terms and conditions provided electronically or online or as part of Product materials or descriptions or guidelines; and
- (5) Any Contractor's online or third party terms and conditions.

b. These documents shall be read to be consistent and complementary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above.

## 2. Definitions

**Acceptance** means a written notice from a Purchasing Entity to Contractor advising Contractor that the Product has passed its Acceptance Testing. Acceptance of a Product for which acceptance testing is not required shall occur following the completion of delivery, installation, if required, and a reasonable time for inspection of the Product, unless the Purchasing Entity provides a written notice of rejection to Contractor.

**Acceptance Testing** means the process for ascertaining that the Product meets the standards set forth in the section titled Standard of Performance and Acceptance, prior to Acceptance by the Purchasing Entity.

**Contract** means any Order or Purchase Order or other agreed upon ordering instrument issued by a Purchasing Entity under this Master Agreement, together with the terms and conditions of this Master Agreement.

**Contractor** means the person or entity delivering Products or performing services under the terms and conditions set forth in this Master Agreement.

**Embedded Software** means one or more software applications which permanently reside on a computing device.

**Environmentally Preferable Product** means products and services that have a lesser or reduced effect on human health and the environment when compared to competing products or services that serve the same purpose.

**Intellectual Property** means any and all patents, copyrights, service marks, trademarks, trade secrets, trade names, patentable inventions, or other similar proprietary rights, in tangible or intangible form, and all rights, title, and interest therein.

**Lead State** means the State centrally administering any resulting Master Agreement(s).

**Master Agreement** means the underlying agreement executed by and between the Lead State, acting on behalf of the members of the NASPO ValuePoint Cooperative Purchasing Program, and the Contractor, as now or hereafter amended.

**NASPO ValuePoint** is the NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint, a 501(c)(3) limited liability company that is a subsidiary organization the National Association of State Procurement Officials (NASPO), the sole member of NASPO ValuePoint. NASPO ValuePoint facilitates administration of the NASPO cooperative group contracting consortium of state chief procurement officials for the benefit of state departments, institutions, agencies, and political subdivisions and other eligible entities (i.e., colleges, school districts, counties, cities, some nonprofit organizations, etc.) for all states, the District of Columbia, and territories of the United States. NASPO ValuePoint is identified in the Master Agreement as the recipient of reports and may perform contract

administration functions relating to collecting and receiving reports as well as other contract administration functions as assigned by the Lead State.

**Order or Purchase Order** means any purchase order, sales order, contract or other document used by a Purchasing Entity to order the Products.

**Participating Addendum** means a bilateral agreement executed by a Contractor and a Participating Entity incorporating this Master Agreement and any other additional Participating Entity specific language or other requirements, e.g. ordering procedures specific to the Participating Entity, other terms and conditions.

**Participating Entity** means a state, or other legal entity, properly authorized to enter into a Participating Addendum.

**Participating State** means a state, the District of Columbia, or one of the territories of the United States that is listed in the Request for Proposal as intending to participate. Upon execution of the Participating Addendum, a Participating State becomes a Participating Entity; however, a Participating State listed in the Request for Proposals is not required to later participate in the Master Agreement.

**Product** means any equipment, software (including embedded software), supplies, materials, commodities, goods, documentation or other deliverable supplied, offered, or created by the Contractor pursuant to this Master Agreement as described on Exhibits B and B-1. The term Products, supplies, and products are used interchangeably in this Master Agreement.

**Purchasing Entity or Customer** means a state (as well as the District of Columbia and U.S territories), city, county, district, other political subdivision of a State, and a nonprofit organization under the laws of some states if authorized by a Participating Addendum, who issues a Purchase Order against the Master Agreement and becomes financially committed to the purchase.

**Services** means installation and additional services as defined in the Master Agreement.

### **3. Term of the Master Agreement; Non-exclusivity**

a. The initial term of this Master Agreement is for one (1) year. This Master Agreement may be extended beyond the original contract period for four (4) additional years at the Lead State's discretion and by mutual agreement and upon review of requirements of Participating Entities, current market conditions, and Contractor performance.

b. This Master Agreement is not exclusive. Purchasing Entities retain the right to contract for Products or Services or both through any selection process authorized by law, or to perform the Services themselves. Neither NASPO ValuePoint nor the Lead State guarantees that any specific number of Contracts will be issued or that any specific amount of Products or Services will be required.

### **4. Amendments**

The terms of this Master Agreement shall not be waived, altered, modified, supplemented or  
*NASPO ValuePoint Master Agreement*

amended in any manner whatsoever without prior written approval of the Lead State and Contractor.

## **5. Participants and Scope**

a. Contractor may not deliver Products and Services under this Master Agreement until a Participating Addendum, in a form substantially similar to Exhibit A attached hereto and acceptable to the Participating Entity and Contractor is executed. The NASPO ValuePoint Master Agreement Terms and Conditions are applicable to any Order by a Participating Entity (and other Purchasing Entities covered by their Participating Addendum), except to the extent altered, modified, supplemented or amended by a Participating Addendum. By way of illustration and not limitation, this authority may apply to unique delivery and invoicing requirements, confidentiality requirements, defaults on Orders, governing law and venue relating to Orders by a Participating Entity, indemnification, and insurance requirements. Statutory or constitutional requirements relating to availability of funds may require specific language in some Participating Addenda in order to comply with applicable law. The expectation is that these alterations, modifications, supplements, or amendments will be addressed in the Participating Addendum or, with the consent of the Purchasing Entity and Contractor, may be included in the ordering document (e.g. purchase order or contract) used by the Purchasing Entity to place the Order.

b. Use of specific NASPO ValuePoint cooperative Master Agreements by state agencies, political subdivisions and other Participating Entities (including cooperatives) authorized by individual state's statutes to use state contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the respective State Chief Procurement Official.

c. Obligations under this Master Agreement are limited to those Participating Entities who have signed a Participating Addendum and Purchasing Entities within the scope of those Participating Addenda. States or other entities permitted to participate may use an informal competitive process to determine which Master Agreements to participate in through execution of a Participating Addendum. Financial obligations of Participating Entities who are states are limited to the orders placed by the departments or other state agencies and institutions having available funds. Participating Entities who are states incur no financial obligations on behalf of other Purchasing Entities. Contractor shall email a fully executed PDF copy of each Participating Addendum to PA@naspovaluepoint.org to support documentation of participation and posting in appropriate data bases.

d. NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint, is not a party to the Master Agreement. It is a nonprofit cooperative purchasing organization assisting states in administering the NASPO cooperative purchasing program for state government departments, institutions, agencies and political subdivisions (e.g., colleges, school districts, counties, cities, etc.) for all 50 states, the District of Columbia and the territories of the United States.

e. Participating Addenda shall not be construed to amend the following provisions in this Master Agreement between the Lead State and Contractor that prescribe NASPO ValuePoint Program requirements: Term of the Master Agreement; Amendments; Participants and Scope; Administrative Fee; NASPO ValuePoint Summary and Detailed Usage Reports;

NASPO ValuePoint Cooperative Program Marketing and Performance Review; NASPO ValuePoint eMarketCenter; Right to Publish; Price and Rate Guarantee Period; and Individual Customers. Any such language shall be void and of no effect.

f. Participating Entities who are not states may under some circumstances sign their own Participating Addendum, subject to the consent to participation by the Chief Procurement Official of the state where the Participating Entity is located. Coordinate requests for such participation through NASPO ValuePoint. Any permission to participate through execution of a Participating Addendum is not a determination that procurement authority exists in the Participating Entity; they must ensure that they have the requisite procurement authority to execute a Participating Addendum.

g. **Resale.** "Resale" means any payment in exchange for transfer of tangible goods, software, or assignment of the right to services. Subject to any specific conditions included in the solicitation or Contractor's proposal as accepted by the Lead State, or as explicitly permitted in a Participating Addendum, Purchasing Entities may not resell Products (the definition of which includes services that are deliverables). Absent any such condition or explicit permission, this limitation does not prohibit: payments by employees of a Purchasing Entity for Products; sales of Products to the general public as surplus property; and fees associated with inventory transactions with other governmental or nonprofit entities and consistent with a Purchasing Entity's laws and regulations. Any sale or transfer permitted by this subsection must be consistent with license rights granted for use of intellectual property.

## **6. Administrative Fees**

a. The Contractor shall pay to NASPO ValuePoint, or its assignee, a NASPO ValuePoint Administrative Fee of one-quarter of one percent (0.25% or 0.0025) no later than sixty (60) days following the end of each calendar quarter. The NASPO ValuePoint Administrative Fee shall be submitted quarterly and is based on all sales of products and services under the Master Agreement (less any charges for taxes or shipping). The NASPO ValuePoint Administrative Fee is not negotiable. This fee is to be included as part of the pricing submitted with proposal.

b. Additionally, some states may require an additional fee be paid directly to the state only on purchases made by Purchasing Entities within that state. For all such requests, the fee level, payment method and schedule for such reports and payments will be incorporated into the Participating Addendum that is made a part of the Master Agreement. The Contractor may adjust the Master Agreement pricing accordingly for purchases made by Purchasing Entities within the jurisdiction of the state. All such agreements shall not affect the NASPO ValuePoint Administrative Fee percentage or the prices paid by the Purchasing Entities outside the jurisdiction of the state requesting the additional fee. The NASPO ValuePoint Administrative Fee in subsection 6a shall be based on the gross amount of all sales (less any charges for taxes or shipping) at the adjusted prices (if any) in Participating Addenda.

## **7. NASPO ValuePoint Summary and Detailed Usage Reports**

In addition to other reports that may be required by this solicitation, the Contractor shall provide the following NASPO ValuePoint reports:

a. **Summary Sales Data.** The Contractor shall submit quarterly sales reports directly to NASPO ValuePoint using the NASPO ValuePoint Quarterly Sales/Administrative Fee Reporting Tool found at <http://calculator.naspovaluepoint.org>. Any/all sales made under this Master Agreement shall be reported as cumulative totals by state. Even if Contractor experiences zero sales during a calendar quarter, a report is still required. Reports shall be due no later than thirty (30) days following the end of the calendar quarter (as specified in the reporting tool).

b. **Detailed Sales Data.** Contractor shall also report detailed sales data by: (1) state; (2) entity/customer type, e.g. local government, higher education, K12, non-profit; (3) Purchasing Entity name; (4) Purchasing Entity bill-to and ship-to locations; (4) Purchasing Entity and Contractor Purchase Order identifier/number(s); (5) Purchase Order Type (e.g. sales order, credit, return, upgrade, determined by industry practices); (6) Purchase Order date; (7) Ship Date; (8) and line item description, including product number if used. The report shall be submitted in any form required by the solicitation. Reports are due on a quarterly basis and must be received by the Lead State and NASPO ValuePoint Cooperative Development Team no later than thirty (30) days after the end of the reporting period. Reports shall be delivered to the Lead State and to the NASPO ValuePoint Cooperative Development Team electronically through a designated portal, email, CD-ROM, flash drive or other method as determined by the Lead State and NASPO ValuePoint. Detailed sales data reports shall include sales information for all sales under Participating Addenda executed under this Master Agreement. The format for the detailed sales data report is in shown in Exhibit D.

c. Reportable sales for the summary sales data report and detailed sales data report includes sales to employees for personal use where authorized by the solicitation and the Participating Addendum. Report data for employees should be limited to ONLY the state and entity they are participating under the authority of (state and agency, city, county, school district, etc.) and the amount of sales. No personal identification numbers, e.g. names, addresses, **social security numbers or any other numerical identifier**, may be submitted with any report.

d. Contractor shall provide the NASPO ValuePoint Cooperative Development Coordinator with an executive summary each quarter that includes, at a minimum, a list of states with an active Participating Addendum, states that Contractor is in negotiations with and any Participating Addendum roll out or implementation activities and issues. NASPO ValuePoint Cooperative Development Coordinator and Contractor will determine the format and content of the executive summary. The executive summary is due thirty (30) days after the conclusion of each calendar quarter.

e. Timely submission of these reports is a material requirement of the Master Agreement. The recipient of the reports shall have exclusive ownership of the media containing the reports. The Lead State and NASPO ValuePoint shall have a perpetual, irrevocable, non-exclusive, royalty free, transferable right to display, modify, copy, and otherwise use reports, data and information provided under this section.

## **8. NASPO ValuePoint Cooperative Program Marketing, Training, and Performance Review**

a. Contractor agrees to work cooperatively with NASPO ValuePoint personnel. Contractor agrees to present plans to NASPO ValuePoint for the education of Contractor's contract

administrator(s) and sales/marketing workforce regarding the Master Agreement contract, including the competitive nature of NASPO ValuePoint procurements, the Master agreement and participating addendum process, and the manner in which qualifying entities can participate in the Master Agreement.

b. Contractor agrees, as Participating Addendums become executed, if requested by ValuePoint personnel to provide plans to launch the program within the participating state. Plans will include time frames to launch the agreement and confirmation that the Contractor's website has been updated to properly reflect the contract offer as available in the participating state.

c. Contractor agrees, absent anything to the contrary outlined in a Participating Addendum, to consider customer proposed terms and conditions, as deemed important to the customer, for possible inclusion into the customer agreement. Contractor will ensure that its sales force is aware of this contracting option.

d. Contractor agrees to participate in an annual contract performance review at a location selected by the Lead State and NASPO ValuePoint, which may include a discussion of marketing action plans, target strategies, marketing materials, as well as Contractor reporting and timeliness of payment of administration fees.

e. Contractor acknowledges that the NASPO ValuePoint logos may not be used by Contractor in sales and marketing until a logo use agreement is executed with NASPO ValuePoint.

f. The Lead State expects to evaluate the utilization of the Master Agreement at the annual performance review. Lead State may, in its discretion, cancel the Master Agreement pursuant to section 28, or not exercise an option to renew, when Contractor utilization does not warrant further administration of the Master Agreement. The Lead State may exercise its right to not renew the Master Agreement if Contractor fails to record or report revenue for three consecutive quarters, upon 60-calendar day written notice to the Contractor. Cancellation based on nonuse or under-utilization will not occur sooner than two years after award (or execution if later) of the Master Agreement. This subsection does not limit the discretionary right of either the Lead State or Contractor to cancel the Master Agreement pursuant to section 28 or to terminate for default pursuant to section 30.

g. Contractor agrees, within 30 days of the effective date, to notify the Lead State and NASPO ValuePoint of any contractual most-favored-customer provisions in third-part contracts or agreements that may affect the promotion of this Master Agreements or whose terms provide for adjustments to future rates or pricing based on rates, pricing in, or Orders from this master agreement. Upon request of the Lead State or NASPO ValuePoint, Contractor shall provide a copy of any such provisions.

## **9. NASPO ValuePoint eMarket Center**

a. In July 2011, NASPO ValuePoint entered into a multi-year agreement with SciQuest, Inc. (doing business as JAGGAER) whereby JAGGAER will provide certain electronic catalog hosting and management services to enable eligible NASPO ValuePoint's customers to access a central online website to view and/or shop the goods and services available from

existing NASPO ValuePoint Cooperative Contracts. The central online website is referred to as the NASPO ValuePoint eMarket Center.

b. The Contractor will have visibility in the eMarket Center through Ordering Instructions. These Ordering Instructions are available at no cost to the Contractor and provide customers information regarding the Contractors website and ordering information. The Contractor is required at a minimum to participate in the eMarket Center through Ordering Instructions.

c. At a minimum, the Contractor agrees to the following timeline: NASPO ValuePoint eMarket Center Site Admin shall provide a written request to the Contractor to begin Ordering Instruction process. The Contractor shall have thirty (30) days from receipt of written request to work with NASPO ValuePoint to provide any unique information and ordering instructions that the Contractor would like the customer to have.

d. If the solicitation requires either a catalog hosted on or integration of a punchout site with eMarket Center, or either solution is proposed by a Contractor and accepted by the Lead State, the provisions of the eMarket Center Appendix to these NASPO ValuePoint Master Agreement Terms and Conditions apply.

## **10. Right to Publish**

Throughout the duration of this Master Agreement, Contractor must secure from the Lead State prior approval for the release of information that pertains to the potential work or activities covered by the Master Agreement. This limitation does not preclude publication about the award of the Master Agreement or marketing activities consistent with any proposed and accepted marketing plan. The Contractor shall not make any representations of NASPO ValuePoint's opinion or position as to the quality or effectiveness of the services that are the subject of this Master Agreement without prior written consent. Failure to adhere to this requirement may result in termination of the Master Agreement for cause.

## **11. Price and Rate Guarantee Period**

All prices and rates set forth in Exhibits B and B-1 (and the online catalog) must be guaranteed for the initial term of the Master Agreement. Following the initial Master Agreement period, any request for price or rate adjustment must be for an equal guarantee period, and must be made at least (30) days prior to the effective date. Requests for price or rate adjustment must include sufficient documentation supporting the request. Any adjustment or amendment to the Master Agreement shall not be effective unless approved by the Lead State. No retroactive adjustments to prices or rates will be allowed.

Contractor shall apply the appropriate discounts as set forth on Exhibit B-1.

## **12. Individual Customers**

Except to the extent modified by a Participating Addendum, each Purchasing Entity shall follow the terms and conditions of the Master Agreement and applicable Participating Addendum and will have the same rights and responsibilities for their purchases as the Lead State has in the Master Agreement, including but not limited to, any indemnity or right to recover any costs as such right is defined in the Master Agreement and applicable Participating Addendum for their purchases. Each Purchasing Entity will be responsible for

its own charges, fees, and liabilities. The Contractor will apply the charges and invoice each Purchasing Entity individually.

## **Administration of Orders**

### **13. Ordering**

a. Master Agreement order and purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.

b. Purchasing Entities may define entity or project-specific requirements and informally compete the requirement among companies having a Master Agreement on an "as needed" basis. This procedure may also be used when requirements are aggregated or other firm commitments may be made to achieve reductions in pricing. This procedure may be modified in Participating Addenda and adapted to the Purchasing Entity's rules and policies. The Purchasing Entity may in its sole discretion determine which Master Agreement Contractors should be solicited for a quote. The Purchasing Entity may select the quote that it considers most advantageous, cost and other factors considered.

c. Each Purchasing Entity will identify and utilize its own appropriate purchasing procedure and documentation. Contractor is expected to become familiar with the Purchasing Entities' rules, policies, and procedures regarding the ordering of supplies and/or services contemplated by this Master Agreement.

d. Contractor shall not begin work without a valid Purchase Order or other appropriate commitment document under the law of the Purchasing Entity.

e. Orders may be placed consistent with the terms of this Master Agreement during the term of the Master Agreement.

f. All Orders pursuant to this Master Agreement, at a minimum, shall include:

- (1) The Products, Services or Supplies being delivered;
- (2) The place and requested time of delivery;
- (3) A billing address;
- (4) The name, phone number, and address of the Purchasing Entity representative;
- (5) The price per hour or other pricing elements consistent with this Master Agreement and the contractor's proposal;
- (6) A ceiling amount of the order for services being ordered; and
- (7) The Master Agreement identifier.

g. All communications concerning administration of Orders placed shall be furnished solely to the authorized purchasing agent within the Purchasing Entity's purchasing office, or to such other individual identified in writing in the Order.

h. Orders must be placed pursuant to this Master Agreement prior to the termination date thereof, but may have a delivery date or performance period up to 120 days past the then-current termination date of this Master Agreement. Contractor is reminded that financial

obligations of Purchasing Entities payable after the current applicable fiscal year are contingent upon agency funds for that purpose being appropriated, budgeted, and otherwise made available.

i. Notwithstanding the expiration, cancellation or termination of this Master Agreement, Contractor agrees to perform in accordance with the terms of any Orders then outstanding at the time of such expiration or termination. Contractor shall not honor any Orders placed after the expiration, cancellation or termination of this Master Agreement, or otherwise inconsistent with its terms. Orders from any separate indefinite quantity, task orders, or other form of indefinite delivery order arrangement priced against this Master Agreement may not be placed after the expiration or termination of this Master Agreement, notwithstanding the term of any such indefinite delivery order agreement.

#### **14. Shipping and Delivery**

a. The prices are the delivered price to any Purchasing Entity. All deliveries shall be F.O.B. destination, freight pre-paid, with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage shall remain the Contractor's until final inspection and acceptance when responsibility shall pass to the Purchasing Entity except as to latent defects, fraud and Contractor's warranty obligations. The minimum shipment amount, if any, will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an Order to be shipped without transportation charges that is back ordered shall be shipped without charge.

b. All deliveries will be "Inside Deliveries" as designated by a representative of the Purchasing Entity placing the Order. Inside Delivery refers to a delivery to other than a loading dock, front lobby, or reception area. Specific delivery instructions will be noted on the order form or Purchase Order. Any damage to the building interior, scratched walls, damage to the freight elevator, etc., will be the responsibility of the Contractor. If damage does occur, it is the responsibility of the Contractor to immediately notify the Purchasing Entity placing the Order.

c. All products must be delivered in the manufacturer's standard package. Costs shall include all packing and/or crating charges. Cases shall be of durable construction, good condition, properly labeled and suitable in every respect for storage and handling of contents. Each shipping carton shall be marked with the commodity, brand, quantity, item code number and the Purchasing Entity's Purchase Order number.

#### **15. Laws and Regulations**

Any and all Products offered and furnished shall comply fully with all applicable Federal and State laws and regulations, including the Federal Terms and Conditions set forth in Exhibit C.

#### **16. Inspection and Acceptance**

a. Where the Master Agreement or an Order does not otherwise specify a process for inspection and Acceptance, this section governs. This section is not intended to limit rights and remedies under the applicable commercial code.

b. All Products are subject to inspection at reasonable times and places before Acceptance. Contractor shall provide right of access to the Lead State, or to any other authorized agent or official of the Lead State or other Participating or Purchasing Entity, at reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance requirements under this Master Agreement. Products that do not meet specifications may be rejected. Failure to reject upon receipt, however, does not relieve the contractor of liability for material (nonconformity that substantially impairs value) latent or hidden defects subsequently revealed when goods are put to use. Acceptance of such goods may be revoked in accordance with the provisions of the applicable commercial code, and the Contractor is liable for any resulting expense incurred by the Purchasing Entity related to the preparation and shipping of Product rejected and returned, or for which Acceptance is revoked.

c. If any Services do not conform to contract requirements, the Purchasing Entity may require the Contractor to perform the services again in conformity with contract requirements, at no increase in Order amount. When defects cannot be corrected by re-performance, the Purchasing Entity may require the Contractor to take necessary action to ensure that future performance conforms to contract requirements; and reduce the contract price to reflect the reduced value of services performed.

d. The warranty period shall begin upon Acceptance.

e. Acceptance Testing may be explicitly set out in a Master Agreement to ensure conformance to an explicit standard of performance. Acceptance Testing means the process set forth in the Master Agreement for ascertaining that the Product meets the standard of performance prior to Acceptance by the Purchasing Entity. If Acceptance Testing is prescribed, this subsection applies to applicable Products purchased under this Master Agreement, including any additional, replacement, or substitute Product(s) and any Product(s) which are modified by or with the written approval of Contractor after Acceptance by the Purchasing Entity. The Acceptance Testing period shall be thirty (30) calendar days or other time period identified in this Master Agreement or the Participating Addendum, starting from the day after the Product is delivered or, if installed, the day after the Product is installed and Contractor certifies that the Product is ready for Acceptance Testing. If the Product does not meet the standard of performance during the initial period of Acceptance Testing, Purchasing Entity may, at its discretion, continue Acceptance Testing on a day-to-day basis until the standard of performance is met. Upon rejection, the Contractor will have fifteen (15) calendar days to cure the standard of performance issue(s). If after the cure period, the Product still has not met the standard of performance, the Purchasing Entity may, at its option: (a) declare Contractor to be in breach and terminate the Order; (b) demand replacement Product from Contractor at no additional cost to Purchasing Entity; or, (c) continue the cure period for an additional time period agreed upon by the Purchasing Entity and the Contractor. Contractor shall pay all costs related to the preparation and shipping of Product returned pursuant to the section. No Product shall be deemed Accepted and no charges shall be paid until the standard of performance is met. The warranty period shall begin upon Acceptance.

## **17. Payment**

Payment after Acceptance is normally made within 30 days following the date the entire order is delivered or the date a correct invoice is received, whichever is later. After 45 days the

Contractor may assess overdue account charges the highest rate permitted by applicable law per month on the outstanding balance, unless a different late payment amount is specified in a Participating Addendum, Order, or otherwise prescribed by applicable law. Payments will be remitted by mail. Payments may be made via a State or political subdivision "Purchasing Card" with no additional charge.

## **18. Warranty**

Warranty provisions govern where specified elsewhere in the documents that constitute the Master Agreement; otherwise this section governs. The Contractor warrants for a period of one year from the date of Acceptance that: (a) the Product performs according to all specific claims that the Contractor made in its response to the solicitation, (b) the Product is suitable for the ordinary purposes for which such Product is used, (c) the Product is suitable for any special purposes identified in the solicitation or for which the Purchasing Entity has relied on the Contractor's skill or judgment, (d) the Product is designed and manufactured in a commercially reasonable manner, and (e) the Product is free of defects. Upon breach of the warranty, the Contractor will repair or replace (at no charge to the Purchasing Entity) the Product whose nonconformance is discovered and made known to the Contractor. If the repaired and/or replaced Product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. If Contractor is not the manufacturer of the product Contractor shall pass through all manufacturer's warranty to Purchasing Entity. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation, actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

## **19. Title of Product**

Upon Acceptance by the Purchasing Entity, Contractor shall convey to Purchasing Entity title to the Product free and clear of all liens, encumbrances, or other security interests. Transfer of title to the Product shall include an irrevocable and perpetual license to use any Embedded Software in the Product. If Purchasing Entity subsequently transfers title of the Product to another entity, Purchasing Entity shall have the right to transfer the license to use the Embedded Software with the transfer of Product title. A subsequent transfer of this software license shall be at no additional cost or charge to either Purchasing Entity or Purchasing Entity's transferee.

## **20. License of Pre-Existing Intellectual Property**

Contractor grants to the Purchasing Entity a nonexclusive, perpetual, royalty-free, irrevocable, license to use, publish, translate, reproduce, transfer with any sale of tangible media or Product, perform, display, and dispose of the Intellectual Property, and its derivatives, used or delivered under this Master Agreement, but not created under it ("Pre-existing Intellectual Property"). The Contractor shall be responsible for ensuring that this license is consistent with any third party rights in the Pre-existing Intellectual Property.

## **General Provisions**

## **21. Insurance**

a. Unless otherwise agreed in a Participating Addendum, Contractor shall, during the term of this Master Agreement, maintain in full force and effect, the insurance described in this section. Contractor shall acquire such insurance from an insurance carrier or carriers licensed to conduct business in each Participating Entity's state and having a rating of A, Class VII or better, in the most recently published edition of A.M. Best's Insurance Reports. Failure to buy and maintain the required insurance may result in this Master Agreement's termination or, at a Participating Entity's option, result in termination of its Participating Addendum.

b. Coverage shall be written on an occurrence basis. The minimum acceptable limits shall be as indicated below:

(1) Commercial General Liability covering premises operations, independent contractors, products and completed operations, blanket contractual liability, personal injury (including death), advertising liability, and property damage, with a limit of not less than \$1 million per occurrence/\$2 million general aggregate;

(2) Contractor must comply with any applicable State Workers Compensation or Employers Liability Insurance requirements.

c. Contractor shall pay premiums on all insurance policies. Contractor shall provide notice to a Participating Entity who is a state within five (5) business days after Contractor is first aware of expiration, cancellation or nonrenewal of such policy or is first aware that cancellation is threatened or expiration, nonrenewal or expiration otherwise may occur.

d. Prior to commencement of performance, Contractor shall provide to the Lead State a written endorsement to the Contractor's general liability insurance policy or other documentary evidence acceptable to the Lead State that (1) names Oregon, and the Participating States identified in the Request for Proposal as additional insureds, (2) provides that written notice of cancellation shall be delivered in accordance with the policy provisions, and (3) provides that the Contractor's liability insurance policy shall be primary, with any liability insurance of any Participating State as secondary and noncontributory. Unless otherwise agreed in any Participating Addendum, other state Participating Entities' rights and Contractor's obligations are the same as those specified in the first sentence of this subsection except the endorsement is provided to the applicable state.

e. Contractor shall furnish to the Lead State copies of certificates of all required insurance in a form sufficient to show required coverage within thirty (30) calendar days of the execution of this Master Agreement and prior to performing any work. Copies of renewal certificates of all required insurance shall be furnished within thirty (30) days after any renewal date to the applicable state Participating Entity. Failure to provide evidence of coverage may, at the sole option of the Lead State, or any Participating Entity, result in this Master Agreement's termination or the termination of any Participating Addendum.

f. Coverage and limits shall not limit Contractor's liability and obligations under this Master Agreement, any Participating Addendum, or any Purchase Order.

## **22. Records Administration and Audit**

a. The Contractor shall maintain books, records, documents, and other evidence pertaining to this Master Agreement and Orders placed by Purchasing Entities under it to the extent and in such detail as shall adequately reflect performance and administration of payments and fees. Contractor shall permit the Lead State, a Participating Entity, a Purchasing Entity, the federal government (including its grant awarding entities and the U.S. Comptroller General), and any other duly authorized agent of a governmental agency, to audit, inspect, examine, copy and/or transcribe Contractor's books, documents, papers and records directly pertinent to this Master Agreement or orders placed by a Purchasing Entity under it for the purpose of making audits, examinations, excerpts, and transcriptions. This right shall survive for a period of five (5) years following termination of this Agreement or final payment for any order placed by a Purchasing Entity against this Agreement, whichever is later, or such longer period as is required by the Purchasing Entity's state statutes, to assure compliance with the terms hereof or to evaluate performance hereunder.

b. Without limiting any other remedy available to any governmental entity, the Contractor shall reimburse the applicable Lead State, Participating Entity, or Purchasing Entity for any overpayments inconsistent with the terms of the Master Agreement or Orders or underpayment of fees found as a result of the examination of the Contractor's records.

c. The rights and obligations herein exist in addition to any quality assurance obligation in the Master Agreement requiring the Contractor to self-audit contract obligations and that permits the Lead State to review compliance with those obligations.

## **23. Confidentiality, Non-Disclosure, and Injunctive Relief**

a. Confidentiality. Contractor acknowledges that it and its employees or agents may, in the course of providing a Product under this Master Agreement, be exposed to or acquire information that is confidential to Purchasing Entity or Purchasing Entity's clients. Any and all information of any form that is marked as confidential or would by its nature be deemed confidential obtained by Contractor or its employees or agents in the performance of this Master Agreement, including, but not necessarily limited to (1) any Purchasing Entity's records, (2) personnel records, and (3) information concerning individuals, is confidential information of Purchasing Entity ("Confidential Information"). Any reports or other documents or items (including software) that result from the use of the Confidential Information by Contractor shall be treated in the same manner as the Confidential Information. Confidential Information does not include information that (1) is or becomes (other than by disclosure by Contractor) publicly known; (2) is furnished by Purchasing Entity to others without restrictions similar to those imposed by this Master Agreement; (3) is rightfully in Contractor's possession without the obligation of nondisclosure prior to the time of its disclosure under this Master Agreement; (4) is obtained from a source other than Purchasing Entity without the obligation of confidentiality, (5) is disclosed with the written consent of Purchasing Entity or; (6) is independently developed by employees, agents or subcontractors of Contractor who can be shown to have had no access to the Confidential Information.

b. Non-Disclosure. Contractor shall hold Confidential Information in confidence, using at least the industry standard of confidentiality, and shall not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third

parties or use Confidential Information for any purposes whatsoever other than what is necessary to the performance of Orders placed under this Master Agreement. Contractor shall advise each of its employees and agents of their obligations to keep Confidential Information confidential. Contractor shall use commercially reasonable efforts to assist Purchasing Entity in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the generality of the foregoing, Contractor shall advise Purchasing Entity, applicable Participating Entity, and the Lead State immediately if Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Master Agreement, and Contractor shall at its expense cooperate with Purchasing Entity in seeking injunctive or other equitable relief in the name of Purchasing Entity or Contractor against any such person. Except as directed by Purchasing Entity, Contractor will not at any time during or after the term of this Master Agreement disclose, directly or indirectly, any Confidential Information to any person, except in accordance with this Master Agreement, and that upon termination of this Master Agreement or at Purchasing Entity's request, Contractor shall turn over to Purchasing Entity all documents, papers, and other matter in Contractor's possession that embody Confidential Information. Notwithstanding the foregoing, Contractor may keep one copy of such Confidential Information necessary for quality assurance, audits and evidence of the performance of this Master Agreement.

c. Injunctive Relief. Contractor acknowledges that breach of this section, including disclosure of any Confidential Information, will cause irreparable injury to Purchasing Entity that is inadequately compensable in damages. Accordingly, Purchasing Entity may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of Purchasing Entity and are reasonable in scope and content.

d. Purchasing Entity Law. These provisions shall be applicable only to extent they are not in conflict with the applicable public disclosure laws of any Purchasing Entity.

e. The rights granted Purchasing Entities and Contractor obligations under this section shall also extend to the cooperative's Confidential Information, defined to include Participating Addenda, as well as Orders or transaction data relating to Orders under this Master Agreement that identify the entity/customer, Order dates, line item descriptions and volumes, and prices/rates. This provision does not apply to disclosure to the Lead State, a Participating State, or any governmental entity exercising an audit, inspection, or examination pursuant to section 23. To the extent permitted by law, Contractor shall notify the Lead State of the identity of any entity seeking access to the Confidential Information described in this subsection.

## **24. Public Information**

This Master Agreement and all related documents are subject to disclosure pursuant to the Purchasing Entity's public information laws.

## **25. Assignment/Subcontracts**

a. Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this Master Agreement, in whole or in part, without the prior written

approval of the Lead State.

b. The Lead State reserves the right to assign any rights or duties, including written assignment of contract administration duties to NASPO Cooperative Purchasing Organization LLC, doing business as NASPO ValuePoint and other third parties.

## **26. Changes in Contractor Representation**

The Contractor must notify the Lead State of changes in the Contractor's key administrative personnel managing the Master Agreement in writing within 10 calendar days of the change. The Lead State reserves the right to approve changes in key personnel, as identified in the Contractor's proposal. The Contractor agrees to propose replacement key personnel having substantially equal or better education, training, and experience as was possessed by the key person proposed and evaluated in the Contractor's proposal.

## **27. Independent Contractor**

The Contractor shall be an independent contractor. Contractor shall have no authorization, express or implied, to bind the Lead State, Participating States, other Participating Entities, or Purchasing Entities to any agreements, settlements, liability or understanding whatsoever, and agrees not to hold itself out as agent except as expressly set forth herein or as expressly agreed in any Participating Addendum.

## **28. Cancellation**

Unless otherwise stated, this Master Agreement may be canceled by either party upon 60 days written notice prior to the effective date of the cancellation. Further, any Participating Entity may cancel its participation upon 30 days written notice, unless otherwise limited or stated in the Participating Addendum. Cancellation may be in whole or in part. Any cancellation under this provision shall not affect the rights and obligations attending orders outstanding at the time of cancellation, including any right of a Purchasing Entity to indemnification by the Contractor, rights of payment for Products delivered and accepted, rights attending any warranty or default in performance in association with any Order, and requirements for records administration and audit. Cancellation of the Master Agreement due to Contractor default may be immediate.

## **29. Force Majeure**

Neither party to this Master Agreement shall be held responsible for delay or default caused by fire, riot, unusually severe weather, other acts of God, or war which are beyond that party's reasonable control. The Lead State may terminate this Master Agreement after determining such delay or default will reasonably prevent successful performance of the Master Agreement.

## **30. Defaults and Remedies**

a. The occurrence of any of the following events shall be an event of default under this Master Agreement:

- (1) Nonperformance of contractual requirements; or
- (2) A material breach of any term or condition of this Master Agreement; or

- (3) Any certification, representation or warranty by Contractor in response to the solicitation or in this Master Agreement that proves to be untrue or materially misleading; or
  - (4) Institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within thirty (30) calendar days after the institution or occurrence thereof; or
  - (5) Any default specified in another section of this Master Agreement.
- b. Upon the occurrence of an event of default, the Lead State shall issue a written notice of default, identifying the nature of the default, and providing a period of 15 calendar days in which Contractor shall have an opportunity to cure the default. The Lead State shall not be required to provide advance written notice or a cure period and may immediately terminate this Master Agreement in whole or in part if the Lead State, in its sole discretion, determines that it is reasonably necessary to preserve public safety or prevent immediate public crisis. Time allowed for cure shall not diminish or eliminate Contractor's liability for damages, including liquidated damages to the extent provided for under this Master Agreement.
- c. If Contractor is afforded an opportunity to cure and fails to cure the default within the period specified in the written notice of default, Contractor shall be in breach of its obligations under this Master Agreement and the Lead State shall have the right to exercise any or all of the following remedies:
- (1) Exercise any remedy provided by law; and
  - (2) Terminate this Master Agreement and any related Contracts or portions thereof; and
  - (3) Impose liquidated damages as provided in this Master Agreement; and
  - (4) Suspend Contractor from being able to respond to future bid solicitations; and
  - (5) Suspend Contractor's performance; and
  - (6) Withhold payment until the default is remedied.
- d. Unless otherwise specified in the Participating Addendum, in the event of a default under a Participating Addendum, a Participating Entity shall provide a written notice of default as described in this section and shall have all of the rights and remedies under this paragraph regarding its participation in the Master Agreement, in addition to those set forth in its Participating Addendum. Unless otherwise specified in a Purchase Order, a Purchasing Entity shall provide written notice of default as described in this section and have all of the rights and remedies under this paragraph and any applicable Participating Addendum with respect to an Order placed by the Purchasing Entity. Nothing in these Master Agreement Terms and Conditions shall be construed to limit the rights and remedies available to a Purchasing Entity under the applicable commercial code.

### **31. Waiver of Breach**

Failure of the Lead State, Participating Entity, or Purchasing Entity to declare a default or enforce any rights and remedies shall not operate as a waiver under this Master Agreement or Participating Addendum. Any waiver by the Lead State, Participating Entity, or Purchasing Entity must be in writing. Waiver by the Lead State or Participating Entity of any default, right

or remedy under this Master Agreement or Participating Addendum, or by Purchasing Entity with respect to any Purchase Order, or breach of any terms or requirements of this Master Agreement, a Participating Addendum, or Purchase Order shall not be construed or operate as a waiver of any subsequent default or breach of such term or requirement, or of any other term or requirement under this Master Agreement, Participating Addendum, or Purchase Order.

### **32. Debarment**

The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. This certification represents a recurring certification made at the time any Order is placed under this Master Agreement. If the Contractor cannot certify this statement, attach a written explanation for review by the Lead State.

### **33. Indemnification**

a. The Contractor shall defend, indemnify and hold harmless NASPO, NASPO Cooperative Purchasing Organization LLC (doing business as NASPO ValuePoint), the Lead State, Participating Entities, and Purchasing Entities, along with their officers and employees, from and against third-party claims, damages or causes of action including reasonable attorneys' fees and related costs for any death, injury, or damage to tangible property arising from act(s), error(s), or omission(s) of the Contractor, its employees or subcontractors or volunteers, at any tier, relating to the performance under the Master Agreement.

b. Indemnification – Intellectual Property. The Contractor shall defend, indemnify and hold harmless NASPO, NASPO Cooperative Purchasing Organization LLC (doing business as NASPO ValuePoint), the Lead State, Participating Entities, Purchasing Entities, along with their officers and employees ("Indemnified Party"), from and against claims, damages or causes of action including reasonable attorneys' fees and related costs arising out of the claim that the Product or its use, infringes Intellectual Property rights ("Intellectual Property Claim") of another person or entity.

(1) The Contractor's obligations under this section shall not extend to any combination of the Product with any other product, system or method, unless the Product, system or method is:

- (a) provided by the Contractor or the Contractor's subsidiaries or affiliates;
- (b) specified by the Contractor to work with the Product; or
- (c) reasonably required, in order to use the Product in its intended manner, and the infringement could not have been avoided by substituting another reasonably available product, system or method capable of performing the same function; or
- (d) It would be reasonably expected to use the Product in combination with such product, system or method.

(d) It would be reasonably expected to use the Product in combination with such product, system or method.

(2) The Indemnified Party shall notify the Contractor within a reasonable time after receiving notice of an Intellectual Property Claim. Even if the Indemnified Party fails to provide reasonable notice, the Contractor shall not be relieved from its obligations unless the Contractor can demonstrate that it was prejudiced in defending the Intellectual Property Claim resulting in increased expenses or loss to the Contractor. If the Contractor promptly and reasonably investigates and defends any Intellectual Property Claim, it shall have control over the defense and settlement of it. However, the Indemnified Party must consent in writing for any money damages or obligations for which it may be responsible. The Indemnified Party shall furnish, at the Contractor's reasonable request and expense, information and assistance necessary for such defense. If the Contractor fails to vigorously pursue the defense or settlement of the Intellectual Property Claim, the Indemnified Party may assume the defense or settlement of it and the Contractor shall be liable for all costs and expenses, including reasonable attorneys' fees and related costs, incurred by the Indemnified Party in the pursuit of the Intellectual Property Claim. Unless otherwise agreed in writing, this section is not subject to any limitations of liability in this Master Agreement or in any other document executed in conjunction with this Master Agreement.

#### **34. No Waiver of Sovereign Immunity**

In no event shall this Master Agreement, any Participating Addendum or any contract or any Purchase Order issued thereunder, or any act of the Lead State, a Participating Entity, or a Purchasing Entity be a waiver of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court.

This section applies to a claim brought against the Participating Entities who are states only to the extent Congress has appropriately abrogated the state's sovereign immunity and is not consent by the state to be sued in federal court. This section is also not a waiver by the state of any form of immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

#### **35. Governing Law and Venue**

a. The procurement, evaluation, and award of the Master Agreement shall be governed by and construed in accordance with the laws of the Lead State sponsoring and administering the procurement. The construction and effect of the Master Agreement after award shall be governed by the law of the state serving as Lead State. The construction and effect of any Participating Addendum or Order against the Master Agreement shall be governed by and construed in accordance with the laws of the Participating Entity's or Purchasing Entity's State.

b. Unless otherwise specified in the RFP, the venue for any protest, claim, dispute or action relating to the procurement, evaluation, and award is in the Lead State. Venue for any claim, dispute or action concerning the terms of the Master Agreement shall be in the state serving as Lead State. Venue for any claim, dispute, or action concerning any Order placed against the Master Agreement or the effect of a Participating Addendum shall be in the Purchasing

Entity's State.

c. If a claim is brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for (in decreasing order of priority): the Lead State for claims relating to the procurement, evaluation, award, or contract performance or administration if the Lead State is a party; a Participating State if a named party; the state where the Participating Entity or Purchasing Entity is located if either is a named party.

### 36. Assignment of Antitrust Rights

Contractor irrevocably assigns to a Participating Entity who is a state any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future by reason of any violation of state or federal antitrust laws (15 U.S.C. § 1-15 or a Participating Entity's state antitrust provisions), as now in effect and as may be amended from time to time, in connection with any goods or services provided in that state for the purpose of carrying out the Contractor's obligations under this Master Agreement or Participating Addendum, including, at the Participating Entity's option, the right to control any such litigation on such claim for relief or cause of action.

### 37. Contract Provisions for Orders Utilizing Federal Funds

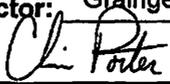
Pursuant to Appendix II to 2 Code of Federal Regulations (CFR) Part 200, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, Orders funded with federal funds may have additional contractual requirements or certifications that must be satisfied at the time the Order is placed or upon delivery. These federal requirements may be proposed by Participating Entities in Participating Addenda and Purchasing Entities for incorporation in Orders placed under this Master Agreement.

### 38. Leasing or Alternative Financing Methods

The procurement and other applicable laws of some Purchasing Entities may permit the use of leasing or alternative financing methods for the acquisition of Products under this Master Agreement. Where the terms and conditions are not otherwise prescribed in an applicable Participating Addendum, the terms and conditions for leasing or alternative financing methods are subject to negotiation between the Contractor and Purchasing Entity.

#### Authorized Signatures:

Contractor: Grainger

By: 

Title: Sr. Government Sales Manager Date: April 25, 2018

**The State of Oregon acting by and through its Department of Administrative Services, Enterprise Goods and Services, Procurement Services**

By: 

DocuSign Envelope ID: A11D4769-4304-42EF-B964-E38147568EB0

Title: State Procurement Analyst Date: 4/25/18

Approved pursuant to ORS 291.047

Oregon Department of Justice  
By: Karen Johnson via email  
Sr. Assistant Attorney General

Date: April 24, 2018

### **eMarket Center Appendix to NASPO ValuePoint Master Agreement**

a. This Appendix applies whenever a catalog hosted by or integration of a punchout site with eMarket Center is required by the solicitation or either solution is proposed by a Contractor and accepted by the Lead State.

b. Supplier's Interface with the eMarket Center. There is no cost charged by JAGGAER to the Contractor for loading a hosted catalog or integrating a punchout site.

c. At a minimum, the Contractor agrees to the following:

(1) **Implementation Timeline:** NASPO ValuePoint eMarket Center Site Admin shall provide a written request to the Contractor to begin enablement process. The Contractor shall have fifteen (15) days from receipt of written request to work with NASPO ValuePoint and JAGGAER to set up an enablement schedule, at which time JAGGAER's technical documentation shall be provided to the Contractor. The schedule will include future calls and milestone dates related to test and go live dates. The contractor shall have a total of Ninety (90) days to deliver either a (1) hosted catalog or (2) punch-out catalog, from date of receipt of written request.

(2) NASPO ValuePoint and JAGGAER will work with the Contractor, to decide which of the catalog structures (either hosted or punch-out as further described below) shall be provided by the Contractor. **Whether hosted or punch-out, the catalog must be strictly limited to the Contractor's awarded contract offering (e.g. products and/or services not authorized through the resulting cooperative contract should not be viewable by NASPO ValuePoint Participating Entity users).**

(a) **Hosted Catalog.** By providing a hosted catalog, the Contractor is providing a list of its awarded products/services and pricing in an electronic data file in a format acceptable to JAGGAER, such as Tab Delimited Text files. In this scenario, the Contractor must submit updated electronic data [Insert Time Frame Here] to the eMarket Center for the Lead State's approval to maintain the most up-to-date version of its product/service offering under the cooperative contract in the eMarket Center.

(b) **Punch-Out Catalog.** By providing a punch-out catalog, the Contractor is providing its own online catalog, which must be capable of being integrated with the eMarket Center as a. Standard punch-in via Commerce eXtensible Markup Language (cXML). In this scenario, the Contractor shall validate that its online catalog is up-to-date by providing a written update every six months to the Lead State stating they have audited the offered products/services and pricing listed on its online catalog. The site must also return detailed UNSPSC codes (as outlined in line 3) for each line item. Contractor also agrees to provide e-Quote functionality to facilitate volume discounts.

d. **Revising Pricing and Product Offerings:** Any revisions to product/service offerings (new products, altered SKUs, new pricing etc.) must be pre-approved by the Lead State and shall be subject to any other applicable restrictions with respect to the frequency or amount of such revisions. However, no cooperative contract enabled in the eMarket Center may include price changes on a more frequent basis than once per quarter. The following conditions apply with respect to hosted catalogs:

(1) Updated pricing files are required by the 1st of the month and shall go into effect in the eMarket Center on the 1st day of the following month (i.e. file received on 1/01/13 would be effective in the eMarket Center on 2/01/13). Files received after the 1st of the month may be delayed up to a month (i.e. file received on 11/06/09 would be effect in the eMarket Center on 1/01/10).

(2) Lead State-approved price changes are not effective until implemented within the eMarket Center. Errors in the Contractor's submitted pricing files will delay the implementation of the price changes in eMarket Center.

e. **Supplier Network Requirements:** Contractor shall join the JAGGAER Supplier Network (SQSN) and shall use JAGGAER's Supplier Portal to import the Contractor's catalog and pricing, into the JAGGAER system, and view reports on catalog spend and product/pricing freshness. The Contractor can receive orders through electronic delivery (cXML) or through low-tech options such as fax. More information about the SQSN can be found at: [www.sciquest.com](http://www.sciquest.com) or call the JAGGAER Supplier Network Services team at 800-233-1121.

f. **Minimum Requirements:** Whether the Contractor is providing a hosted catalog or a punch-out catalog, the Contractor agrees to meet the following requirements:

(1) Catalog must contain the most current pricing, including all applicable administrative fees and/or discounts, as well as the most up-to-date product/service offering the Contractor is authorized to provide in accordance with the cooperative contract; and

(2) The accuracy of the catalog must be maintained by Contractor throughout the duration of the cooperative contract; and

(3) The Catalog must include a Lead State contract identification number; and

(4) The Catalog must include detailed product line item descriptions; and

(5) The Catalog must include pictures when possible; and

(6) The Catalog must include any additional NASPO ValuePoint and Participating Addendum requirements. Although suppliers in the SQSN normally submit one (1) catalog, it is possible to have multiple contracts applicable to different NASPO ValuePoint Participating Entities. For example, a supplier may have different pricing for state government agencies and Board of Regents institutions. Suppliers have the ability and responsibility to submit separate contract pricing for the same catalog if applicable. The system will deliver the appropriate contract pricing to the user viewing the catalog.

g. **Order Acceptance Requirements:** Contractor must be able to accept Purchase Orders via fax or cXML. The Contractor shall provide positive confirmation via phone or email within 24 hours of the Contractor's receipt of the Purchase Order. If the Purchasing Order is received after 3pm EST on the day before a weekend or holiday, the Contractor must provide positive confirmation via phone or email on the next business day.

h. **UNSPSC Requirements:** Contractor shall support use of the United Nations Standard

DocuSign Envelope ID: A11D4769-4304-42EF-B964-E38147568EB0

Product and Services Code (UNSPSC). UNSPSC versions that must be adhered to are driven by JAGGAER for the suppliers and are upgraded every year. NASPO ValuePoint reserves the right to migrate to future versions of the UNSPSC and the Contractor shall be required to support the migration effort. All line items, goods or services provided under the resulting statewide contract must be associated to a UNSPSC code. All line items must be identified at the most detailed UNSPSC level indicated by segment, family, class and commodity.

i. Applicability: Contractor agrees that NASPO ValuePoint controls which contracts appear in the eMarket Center and that NASPO ValuePoint may elect at any time to remove any supplier's offering from the eMarket Center.

j. The Lead State reserves the right to approve the pricing on the eMarket Center. This catalog review right is solely for the benefit of the Lead State and Participating Entities, and the review and approval shall not waive the requirement that products and services be offered at prices (and approved fees) required by the Master Agreement.

k. Several NASPO ValuePoint Participating Entities currently maintain separate JAGGAER eMarketplaces, these Participating Entities do enable certain NASPO ValuePoint Cooperative Contracts. In the event one of these entities elects to use this NASPO ValuePoint Cooperative Contract (available through the eMarket Center) but publish to their own eMarketplace, the Contractor agrees to work in good faith with the entity and NASPO ValuePoint to implement the catalog. NASPO ValuePoint does not anticipate that this will require substantial additional efforts by the Contractor; however, the supplier agrees to take commercially reasonable efforts to enable such separate JAGGAER catalogs.

**(August 2017)**

## Exhibit A to NASPO ValuePoint Master Agreement

### SAMPLE PARTICIPATING ADDENDUM

MASTER AGREEMENT # 8496  
FORM PARTICIPATING ADDENDUM

NASPO ValuePoint  
PARTICIPATING ADDENDUM

Facilities Maintenance and Repair &  
Operations (MRO) and Industrial Supplies  
Lead by the State of Oregon



Master Agreement #: 8496

Contractor: **W.W. Grainger, Inc. (Contractor)**

Participating Entity: **State of XXXXX**

The following Goods or services are included in this Addendum:

- Removable Example: All Goods and accessories listed on the Contractor page of the NASPO ValuePoint website.

The following Goods or services are not included in this Addendum:

- Removable Example: Product modifications.
- Removable Example: Installation services.

#### **Master Agreement Terms and Conditions:**

1. Scope: This addendum covers the **Facilities Maintenance and Repair & Operations and Industrial Supplies** led by the State of Oregon for use by state agencies and other entities located in the Participating State *[or State Entity]* authorized by that State's statutes to utilize State contracts with the prior approval of the State's Chief Procurement Official.

*[Removable Instruction: Participating States should ensure that paragraph 2 properly defines the scope of participation. The model language in paragraph enables participation by all political subdivisions, institutions of higher education, and other entities included in the state's statewide contract program.]*

2. Participation: This NASPO ValuePoint Master Agreement may be used by all state agencies, institutions of higher institution, political subdivisions and other entities authorized to use statewide contracts in the State of *[xxxxxxx]*. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.

3. **Primary Contacts:** The primary contact individuals for this Participating Addendum are as follows (or their named successors):

**Contractor**

Name:  
Address:  
Telephone:  
Fax:  
Email:

**Participating Entity**

Name:  
Address:  
Telephone:  
Fax:  
Email:

4. Participating Entity Modifications Or Additions To The Master Agreement

These modifications or additions apply only to actions and relationships within the Participating Entity.

Participating Entity must check one of the boxes below.

No changes to the terms and conditions of the Master Agreement are required.

The following changes are modifying or supplementing the Master Agreement terms and conditions.

*[Removable Instruction: Insert text here to address specific changes to the terms and conditions. Indicate which section numbers of the Master Agreement are modified. If no changes are required, check the box above and delete this paragraph.]*

5. **Lease Agreements:** *[If applicable, insert a statement about whether or not equipment lease agreement terms and conditions included in the Master Agreement have been approved for use by the Participating State and any restrictions or requirements for the use of the lease agreement language in the Master Agreement. If not applicable, mark Section 5 as "Reserved".]*

6. **Subcontractors:** All contactors, dealers, and resellers authorized in the State of [xxxxxx], as shown on the dedicated Contractor (cooperative contract) website, are approved to provide sales and service support to participants in the NASPO ValuePoint Master Agreement. The contractor's dealer participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.

7. **Orders:** Any order placed by a Participating Entity or Purchasing Entity for a product and/or service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions) of the Master Agreement unless

DocuSign Envelope ID: A11D4769-4304-42EF-B964-E38147568EB0

the parties to the order agree in writing that another contract or agreement applies to such order.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Participating Entity:	Contractor:
Signature:	Signature:
Name:	Name:
Title:	Title:
Date:	Date:

*[Additional signatures may be added if required by the Participating Entity]*

For questions on executing a participating addendum, please contact:

**NASPO ValuePoint**

Cooperative Development Coordinator: Shannon Berry  
Telephone: 775-720-3404  
Email: sberry@naspovaluepoint.org

***[Please email fully executed PDF copy of this document to [PA@naspovaluepoint.org](mailto:PA@naspovaluepoint.org) to support documentation of participation and posting in appropriate data bases.]***

## **Exhibit B to NASPO ValuePoint Master Agreement**

### **Description of Products, Price, and Services**

**1. Products: Contractor may provide Products and Services from the following categories:**

- Janitorial Equip. & Supplies (does not include Sanitation Cleaning Chemicals)
- Sanitation Cleaning Chemicals (does not include Janitorial Equipment & Supplies)
- Fasteners
- Material Handling
- Plumbing
- Power Sources
- Outdoor Garden
- Lamps, Lighting, Ballasts
- HVAC
- Hand Tools
- Power Tools (excluding automotive related tools and products)
- Electrical
- Paint
- Security
- Safety (does not include any public safety equipment)

Purchasing Entities may access Contractor's catalog for above products at link:  
[www.grainger.com](http://www.grainger.com)

**2. Services:**

**2.1 ESB/MBE/WBE/DV & DBE Programs;**  
Contractor has successful experience offering ESB/MBE/WBE/DV & DBE companies opportunities through two core programs.

**2.1.1 Contractor's Small and Diverse Supplier Program affords the Purchasing Entity with access to ESB/MBE/WBE/DV & DBE manufacturers and suppliers through our catalogs and distribution channels. Products provided by Contractor ESB/MBE/WBE/DV & DBE manufacturers and suppliers are identified as part of the supplier diversity program with the following symbol.**

**2.1.2 Contractor's Distributor Alliance Program enables ESB/MBE/WBE/DV & DBE companies to assist government agencies to meet their MRO product and service requirements. In the Distributor Alliance reseller program, Participating Entity can leverage these companies' experience and expertise to meet ESB/MBE/WBE/DV & DBE goals. Contractor has actively supported diversity spend programs for more than 10 years and currently is contractually partnered with more than 60 certified resellers across the country.**

**2.2 Growth Incentives:**

**Contractor's pricing includes contract incentives, a fixed category discount structure, market basket pricing that is firm for 12 months, pre-paid standard ground shipping, product warranties, and inventory management solutions.**

**2.2.1 Contract Reference Price ("CRP"): is market-based and lower than Contractor's historic List Price. CRP is stable and only subject to change three times per year. Pricing proposal is tied to CRP. CRP is found on Grainger.com when Purchasing Entity logs into their Grainger.com account. The CRP at the time of purchase will be the price to which any contract discounts will be applied.**

**2.2.2 Customized Contract Incentives: Depending on factors such as contract commitments, single award status, and market competition, Contractor may offer contract incentives, administrative fees and discounts that may include the following options:**

- **Participating State Administrative Fee Structure**
- **Annual Growth incentives**
  - ✓ **Incremental Sales Growth Incentives**
  - ✓ **Annual Green/Sustainability Growth Incentives**
  - ✓ **Annual Grainger Choice Product Growth Incentives**
  - ✓ **eCommerce Growth Incentives**
  - ✓ **Additional Category Discounts**

**2.2.3 Customer Specific Pricing ("CSP"): Contractor recognizes the importance of providing the Purchasing Entity with relevant pricing for specific products in special circumstances. As a value-add to the Master Agreement, deeper discounted pricing can be sought in the form of CSP as it relates to a specific opportunity.**

**2.2.4 Additional Discounting: Contractor recognizes the operational importance of providing the Purchasing Entity access to MRO products that fall outside the market basket pre-defined categories awarded. Contractor offers a 5% discount off of CRP on products that fall outside the market basket and pre-defined categories listed above.**

**2.2.5 Participating State Custom Market Baskets:** Each Participating State has the ability to define a custom market basket that consists of products that the Participating State most frequently procures. Contractor's Government Sales Managers will work with each Participating State to identify this product list and price these products accordingly based on volume procured.

**2.2.6 Large Order Discounts:** Contractor will continue to work with the Purchasing Entity to leverage additional discounts for large, single orders, based on size and scope.

**2.3** The quality and availability of recycling or other sustainability programs, including products or services offered:  
Contractor will work with Purchasing Entity to better enable the State to achieve sustainability goals established by the State.

**2.4** The quality and availability of recycling or other sustainability environmental conservation programs, including products and/or services offered:

Contractor will work closely with the Purchasing Entity to identify and implement environmental conservation programs.

**2.5** The number of available green environmentally preferable products that meet the solicitation's specifications available, showing a robust supply of green/sustainable products:

Contractor currently offers 72,000 green products that are available to Participating States and Purchasing Entity.

In terms of other products, Contractor coordinates with its valued supplier/manufacturer partners to ensure that applicable items meet various environmental compliance standards, such as but not limited to: RoHS (Restriction of Hazardous Substances), WEEE (Waste Electrical and Electronic Equipment), ELV (End-of-Life Vehicles), Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH), or Substances of Concern (SOC).

**2.6** Contractor's Standard Return Policy: Returns for Contractor catalog products can be made up to **one (1) year** from the date of purchase. Returned product must be in original packaging, unused, undamaged and in saleable condition. Proof of purchase is required. Contractor will either replace the product or issue a credit for the product purchase price.

The above represents Contractor's policy, however, in practice Contractor attempts to put the Purchasing Entity first and in many instances Contractor may accept returns that do not meet all of the above criteria. For assistance with returns, the Purchasing Entity should

call Grainger Customer Care at 800-GRAINGER (800-472-4643).

2.7 Distribution points:

Contractor's Government Inside and Outside Sales Staff are solely dedicated to the public sector market across all Participating States, Washington D.C., US Territories. Contractor created this government-dedicated sales team to better serve this sector, to understand specific challenges of the Participating Entity and to drive overall savings in procuring products.

<b>Sales Staff Per State</b>					
State	#	State	#	State	#
Alabama	17	Louisiana	13	Ohio	19
Alaska	10	Maine	7	Oklahoma	14
Arizona	18	Maryland	26	Oregon	12
Arkansas	10	Massachusetts	19	Pennsylvania	25
California	80	Michigan	15	Rhode Island	8
Colorado	18	Minnesota	18	South Carolina	15
Connecticut	13	Mississippi	9	South Dakota	9
Delaware	7	Missouri	18	Tennessee	13
Florida	47	Montana	6	Texas	54
Georgia	23	Nebraska	8	Utah	10
Hawaii	16	Nevada	12	Vermont	6
Idaho	8	New Hampshire	6	Virginia	29
Illinois	32	New Jersey	30	Washington	28
Indiana	10	New Mexico	21	West Virginia	8
Iowa	9	New York	46	Wisconsin	13
Kansas	11	North Carolina	21	Wyoming	7
Kentucky	13	North Dakota	7	District of Columbia	15

<b>Grainger US Distribution Centers</b>				
<b>Location</b>	<b>SKU's</b>	<b>Square Feet</b>	<b>Inventory Value</b>	<b>Employees</b>
Kansas City, MO	131,000	1,300,000	\$ 50,100,000	265
Greenville, SC	305,000	1,100,000	\$113,400,000	492
Patterson, CA	269,000	820,000	\$ 91,100,000	358
Minooka, IL	464,000	1,100,000	\$174,100,000	632
Bordentown, NJ	283,000	1,300,000	\$115,400,000	574
Denver, CO	73,000	45,000	\$ 6,700,000	30
Plymouth, MN	89,000	35,000	\$ 8,000,000	34
Seattle, WA	88,000	56,000	\$ 10,400,000	46
Mira Loma, CA	133,000	345,000	\$ 46,400,000	181
Cleveland, OH	134,000	395,000	\$ 44,600,000	218
Dallas, TX	150,000	560,000	\$ 66,400,000	322
Jacksonville, FL	119,000	230,000	\$ 35,400,000	145
Southaven, MS	111,000	230,000	\$ 32,800,000	144

2.8 Scope of geographical coverage offered:

Contractor covers all (50) states throughout the United States and internationally.

2.9 Accurate and meaningful marking of green products in the on-line catalog when applicable:

Contractor display's product information on the website to display the appropriate green symbol next to the products that meet environmental sustainability requirements.

3. Additional Services:

3.1 Contract Management Retail Store/Will Call Availability:

Contractor branches are open 8:00am to 5:00pm Monday through Friday, local time. See Exhibit E Contractor's listing of branches and distribution centers incorporated by reference.

Contractor has trained and capable employees that will interact with the Purchasing Entity and has regional, senior, and executive management responsible for supporting the Participating Entity and the purchasing Entities.

3.2 Reporting Capabilities Disaster Recovery Plan:

Contractor will provide reporting/analysis. Contractor will work with the

Purchasing Entity to provide access to their order information, through various history reports, spend analysis, pricing audit, and various other reports.

Given the importance of data for information and reporting, it is critical that Contractor stores this information well. Contractor shall backup Data and transaction logs so that information can be restored in the event of hardware or other failure.

**3.3 Web based ordering System:**

Contractor's website at [www.grainger.com](http://www.grainger.com) offers the Purchasing Entity the opportunity to browse products, search through lists, favorites, and order history (both online and branch). The website is available from a traditional browser and via a mobile app for use by the Purchasing Entity that may be away from an office. Contractor offers punch out solutions to the Purchasing Entity that requires them.

**3.4 Contractors point of contact information:**

Contractor can be contacted at:  
Toll Free: 800-472-4643 (800-GRAINGER)  
Email: [Customersupport@Grainger.com](mailto:Customersupport@Grainger.com)  
Website: <https://www.grainger.com/content/naspo>  
FAX: 855-281-3749  
Remit to:  
W. W. Grainger, Inc.  
100 Grainger Parkway  
Lake Forest, IL 60045

**3.5 E- Commerce and Web Catalog Capabilities:**

(1) Display contract pricing and multiple search options from narrow options to specific search criteria;

Contractor allows the Purchasing Entity to search and filter by the following attributes:

- Keyword(s)
- NASPO ValuePoint Market Basket items
- Manufacturer/brand
- Manufacturer model number
- National Stock Number (NSN)
- Grainger item number
- NASPO Member part number
- Supplier Diversity products
- Green products (Logo for green)
- Categories or product index

(2) On-line ordering capability:

**Ordering 24/7:** The Purchasing Entity can submit orders 24 hours per day, 7 days a week, and 365 days per year on Grainger.com and mobile applications. This allows for quick and easy ordering for each Purchasing Entity anytime, anywhere.

(3) Order status and order tracking capabilities:

The Purchasing Entity can use Grainger.com to track the status of any pending order, regardless of ordering channel (online, phone, fax, e-mail). The Purchasing Entity can determine shipment status, backorder status, and partial order shipments, will call order pick-ups and order cancellations for orders placed within the past 36 months by clicking on the Order History link at the top of any Grainger.com page.

(4) Order history:

The innovative **Home Page** on Grainger.com includes relevant user information such as order history, invoices, and other useful information in support of efficient procurement management. Order history can be accessed for 36 months.

(5) Allow users to develop personal lists and profiles, and a secure means for storing procurement card information:

**Personal Lists and Profiles:** The Purchasing Entity can create "Personal Lists" on Grainger.com and punch-out integrations for frequently purchased items. Multiple personal lists can be created and shared among other Participating Entities using the same Grainger account to streamline the acquisition process. This functionality allows the Purchasing Entities to:

- Create lists by product category, service location, usage, or specifications and then organize those lists in folders
- Order directly from their list by clicking "Add to Order" next to any item
- Assign a location to a list allowing for easy access of that list from the Grainger Mobile app
- Add min/max quantities, bin locations, and print labels of the items in your list for easy inventory tracking
- Share lists with other people on the same account, so they can view and order from other Members' Personal Lists
- Add or delete products on the list, combine lists or organize lists in multiple folders
- Shared usage of these easy-to-access lists can assist the Participating Entity in consolidating product orders, avoiding duplication and driving product standardization to reduce costs
- To keep a record of previous purchases

**Procurement Card Information:** Grainger.com has an easy and secure means to use the Personal Profile feature allowing each Purchasing Entity to establish specific user-based profiles to view and edit contact, default payment and delivery information:

**Payment Information**

- Select permanent payment method for individual account users
- Establish permanent method of payment (Purchase Order or Credit Card) for all account users
- Expedite check out by enabling express checkout (requires permanent default shipping and payment options)

(6) Online help to use site should be available at minimum during normal work hours.

**Click-to-Chat:** Grainger offers Click-to-Chat Assistance for the Purchasing Entity on Grainger.com and punch-out integrations. Agents are available from 7 am to 5 pm, Monday – Friday, local time in all time zones to assist the Purchasing Entity with their product questions or anything related to the purchasing process. Agents in the click-to-chat function can access technical product experts to answer detailed questions on product application or specifications affording the Purchasing Entity a prompt means to get answers to their questions.

The Purchasing Entity can chat with a Customer Service Representative (“CSR”) on Grainger.com. Once “Chat Now” is clicked, a message box opens up allowing the Purchasing Entity to communicate with the CSR.

(7) Technical data, illustrations, Material Safety Data Sheets (SDS), parts availability, and access to web-based product sourcing is required:

The item listings on the website include product specification, size and other attributes, images, SDS, parts availability, web-based product sourcing, and other technical information. See SDS sheets at <http://imv.complyplus.com/granger/?redirect=sds&searchRedirect=sds&searchBar=true#>

(8) Allow viewers to view on line product availability by location:

The Purchasing Entity can determine real-time product availability by Grainger location. Participating Entity can designate a default branch within their account profile or allow Grainger.com to provide availability based on the branch closest to their location.

(9) Ability to block certain items or categories.

Upon request, Grainger can block certain items or product categories.

**(10) Ability to accept "P-Card" payments.**

Contractor accepts P-card payments via VISA, MasterCard and American Express as a means of payment for orders.

**3.6 Electronic Data shall be stored for each Participating State in the following ways:**

Contractor has implemented systems that protect, preserve, and maintain information obtained from each Purchasing Entity. Unique identifiers are assigned by Contractor allowing data to be appropriately segmented by Participating State, Participating Entity, or Purchasing Entity. Individual line level detail is captured for the Purchasing Entity allowing for complete transparency in the ordering process regardless of how the Purchasing Entity places their order, size of order, or when and where they place an order.

Contractor chose an internationally accepted information security management framework, ISO/IEC 27001. This framework provides direction for the Grainger information security program and established information security policies and procedures.

As part of the process to ensure the appropriate protection of all Grainger data, both internet-facing and critical internal systems are protected by next generation firewalls, which allow us to segment our environments as needed. Sensitive data sent using TLS encryption provides for the security of the transmission, preventing interception of the information sent in that manner. Additionally, the use of tokenization and encryption for specific data elements at rest protects the data by making the information unusable to unauthorized third-parties.

Contractor accepts credit cards as a payment method. We are required by P-card brands (Visa, MasterCard and American Express) to assess compliance against the PCI DSS standard. We perform that assessment annually and report to the card brands through our acquiring banks, as required by the standard.

**3.7 Forced Substitutions:**

Contractor will not force substitutions. If an item is not available, Contractor will inform the Purchasing Entity and provide the Purchasing Entity with the option to choose an alternate product or wait for delivery if the product is on back order.

**3.8 Contract Management:**

The Purchasing Entity will have access to approximately 3,000 Customer Service Representatives (CSRs) to address questions and resolve issues that arise. Each CSR has use of State-of-the-art technology tools needed to address inquiries and ensure the Purchasing Entities expectations are met.

Contractor will provide all training specific to contract utilization, online ordering, product delivery, product returns, EPPs and customer service processes at no additional cost.

**3.9 Shipping:**

All shipments are to be delivered directly to the purchasing department/division address. All shipments shall include a packing label that includes at a minimum the following information on the outside of the package:

- Purchasing Entity name;
- Delivery Address;
- Purchasing Entity and floor;
- Contact; and
- Telephone number.

A packing slip shall also be included with each shipment, which shall include at a minimum the following information in no particular order:

- Line item description;
- Date ordered;
- Quantity ordered;
- Quantity included in shipment;
- Any backordered items;
- Unit Price and extension;
- Number of parcels;
- Purchase Order Number;
- Purchasing Entity name; and
- F.O.B. Destination.

Contractor ensures that its Packing Slip references information important to the Purchasing Entity, including all of the fields identified above. Furthermore, Contractor's product descriptions and part #s on the Packing Slip match exactly those on the product labels making for simple receipt and validation processes by the Purchasing Entity. Contractor can additionally identify the Purchasing Entity's item #, a customer's P.O. line number, and other relevant information on the Packing Slip.

**3.10 Reporting Capabilities:**

Contractor shall provide information on all reports that are available without charge, to include a brief description of the report and the frequency. Additional Participating States may have additional reporting

requirements. Contractor commits to providing consolidated reporting to the Purchasing Entity at frequencies they require or as requested.

Reports include, but are not limited to:

- Purchase history for a specified period of time
- Each customer or sub-account, such as a using area in a VMI
- Purchase Order and/or Job-Reference Numbers
- Dates of Purchase
- Item numbers and FULL descriptions
- Customer item numbers, if applicable
- Item categories and EPP designation
- Quantities and Units of Measure
- Pricing
- Extended Pricing
- Number of times purchased
- Invoices and/or sales orders for audit validation
- Green/EPP reports
- Other information may also be available

Reports provided in Excel format unless otherwise noted. Contractor does not charge money for any reports to the Purchasing Entity, and will work with each request to try to meet the Purchasing Entities needs if the information is not already available.

The Purchasing Entity has access to orders placed via the website or through punch out on their account on the web. These orders can be reviewed by order or item category for easy reference.

**3.11 Sustainability/Environmental Practices:**

(1) Contractor has a corporate-wide sustainability policy. A copy of Grainger's Corporate Social Responsibility (CSR) is attached hereto as Exhibit F.

(2) Product Take Back/End of Life:

Contractor offers end of life take back and recycling options for the following product types through recycling partnerships, product portfolio and through value-added (**no-charge**) recycling programs offered by our key suppliers.

**3.12 Vending Machines:**

Contractor offers a non-fee MRO related solution for Vending Machines.

**KeepStock®** is Grainger's portfolio of inventory management solutions

that help the Purchasing Entity to better understand their inventory and reduce costs associated with managing it. **KeepStock® Secure** is an ideal choice for the Purchasing Entity who need controlled access of consumable MRO inventory. Each machine can be customized and configured to the needs of the Purchasing Entity and their supply requirements wither Coil, Carousel, Lockers, Cabinets, and Drawers.

- KeepStock® Onsite
- KeepStock® Store
- Customer-Managed Inventory (CMI) Solutions
- KeepStock® Label
- KeepStock® Scan
- KeepStock® Mobile
- KeepStock® Layout
- KeepStock® Cleanup
- KeepStock® Content

**Secure Employee Access:** The Purchasing Entity can access machines by either swiping a badge or entering a code on the key pad.

**Control Methods:** Orders are scheduled to run based on the preset day(s) determined during implementation. Restrictions by Participating Entity can be built into the program. Standard reports can be generated by date, time, item, department, cost center, etc. Sample reports are available from the Grainger sales representative to help Participating Entity see the level of detail our programs can provide.

3.13

**Additional Value added solutions:**

1. Grainger Safety Footwear Program & Shoemobile
2. Safety Training & Assessments
3. Managed MRO Solutions
4. Grainger Consulting Services
5. Custom Product Center

**6. Energy Services:**

Contractor's team may serve as Participating State's resource to help identify and implement a wide range of efficient solutions for the Purchasing Entity through its network of qualified, insured and licensed service providers. Working closely with the Purchasing Entity, Contractor's service providers can help identify and facilitate the installation of energy-saving and water conservation measures with minimal disruption to the Purchasing Entity. Contractor's service can help the Purchasing Entity secure applicable incentives and rebates for energy and water-saving projects.

**7. Grainger's Energy Services:**

- Lighting Projects
- HVAC Projects
- Motor and Pump Projects
- Compressed Air System Studies and Upgrade Projects
- Dust Collection System Studies and Upgrade Projects
- Electric Vehicle Charging Station Projects
- Steam Trap System Studies and Upgrade Projects
- Water Conservation Upgrade Projects

**3.14 Installation, if applicable:**

Contractor will support Participating State in working with manufacturers, suppliers and third party installers ("Partner Network") for equipment, manufacturer-certified set up, training, turnkey installation, post installation services and other maintenance services. Contractor works closely with the Purchasing Entity and qualified, licensed and insured installers to identify and facilitate services and support.

Contractor's ability to provide installation services of products or equipment that a Participating State may chose, if applicable to its State rules.

Contractor's offerings of installation and support services of products or equipment include the following:

- Contractor's network of installers provides turnkey and/or labor-only fixed fee installation and support services.
- Turnkey offerings include all materials, labor, recycling, rebate administration and tax deduction documentation, if applicable.
- The Purchasing Entity billing options for labor and/or turnkey installation and service support will be tailored to satisfy the Purchasing Entities needs.
- Contractor has identified 65 companies that have satisfied Contractor's rigorous vetting process. All companies used by Contractor are licensed, insured, qualified and capable of performing in accordance with the Purchasing Entities requirements.

**3.15 Sourced Products, if applicable:**

3.15.1 Contractor sourced products is a product which is not currently listed in the suppliers contract catalog or on-line ordering system at the time of order receipt but is capable of being supplied through the Contractor, if applicable to a Participating State's rules.

Contractor will leverage its buying power to provide Participating States a competitive market solution addressing product line extensions, items infrequently ordered or not yet in our catalog, or discontinued product.

3.15.2 If the Contractor is capable of supplying sourced products they must be direct line extension products which have a similar item to an

established product category and the Contractor must already have a publically recognized business partnership with the "brand," if applicable to the applicable Participating State's rules.

Contractor's beyond-the-catalog solution is a direct line extension of product to an established product category. Contractor obtains its sourced product and services similar to an item in an established product category. Items are from publically recognized businesses that have established a supplier relationship with Contractor.

**3.16 Disaster Recovery:**

Contractor shall provide an emergency preparedness plan to aid States during an emergency or disaster recovery with specifics as to response time, supplies availability and other goods and services that is offered.

A Participating State may request hard copy and link to Contractor's emergency preparedness plan on its website.

Contractor to provide lead state with hard copy and website link no later than July 15, 2019.

## EXHIBIT B-1 to NASPO ValuePoint Master Agreement

Percentage Off Discount:

### Percentage off list per awarded category

Contractor shall apply the following discount percentages to all purchases:

Category	Discount
1. Janitorial Equipment & Supplies (does not include Sanitation Cleaning Chemicals)	<u>17%</u>
2. Sanitation Cleaning Chemicals & Supplies (does not include Janitorial Equipment & Supplies)	<u>22%</u>
3. Fasteners	<u>35%</u>
4. Material Handling	<u>11%</u>
5. Plumbing	<u>20%</u>
6. Power Source	<u>19%</u>
7. Outdoor Garden	<u>13%</u>
8. Lamps & Lighting and Ballasts	<u>22%</u>
9. HVAC	<u>17%</u>
10. Hand Tools	<u>14%</u>
11. Power Tools (excluding automotive related tools and products)	<u>11%</u>
12. Electrical	<u>23%</u>
13. Paint	<u>13%</u>
14. Security	<u>17%</u>
15. Safety (does not include any public safety equipment)	<u>19%</u>

The Contractor's Percentage off list discount will not be reduced throughout the life of the Master Agreement except, Contractor can however provide a higher percentage off list discount by providing the Lead State a thirty (30) day notice and Lead State approving the discount.

## **Exhibit C to NASPO ValuePoint Master Agreement PROVISIONS REQUIRED BY FEDERAL LAW**

Without limiting the generality of Section 15 of the Master Agreement, if applicable, Contractor shall comply and, as indicated, cause all subcontractors to comply with the following federal requirements. For purposes of this Master Agreement, all references to federal laws are references to federal laws as they may be amended from time to time.

**1. Equal Employment Opportunity.** If this Master Agreement, including amendments, is for more than \$10,000, then Contractor shall comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).

**2. Clean Air, Clean Water, EPA Regulations.** If this Master Agreement, including amendments, exceeds \$100,000 then Contractor shall comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 1857(h)), the Federal Water Pollution Control Act as amended (commonly known as the Clean Water Act) (33 U.S.C. 1251 to 1387), specifically including, but not limited to Section 508 (33 U.S.C. 1368). Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Part 15), which prohibit the use under nonexempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Violations shall be reported to the Participating Entity or Purchasing Entity, HHS and the appropriate Regional Office of the Environmental Protection Agency. Contractor shall include and cause all subcontractors to include in all contracts with subcontractors receiving more than \$100,000 in Federal Funds, language requiring the subcontractor to comply with the federal laws identified in this section.

**3. Energy Efficiency.** Contractor shall comply with applicable mandatory standards and policies relating to energy efficiency that are contained in the Oregon energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94163).

**4. Truth in Lobbying.** The Contractor certifies, to the best of the Contractor's knowledge and belief that:

4.1. No federal appropriated funds have been paid or will be paid, by or on behalf of Contractor, to any person for influencing or attempting to influence an officer or employee of an 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 any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

4.2. If any funds other than federal appropriated funds have been paid 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, grant, loan or cooperative agreement, the Contractor shall complete and submit Standard Form LLL,

"Disclosure Form to Report Lobbying" in accordance with its instructions.

4.3. The Contractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients and subcontractors shall certify and disclose accordingly.

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

**5. HIPAA Compliance.** If the work performed under this Master Agreement are covered by the Health Insurance Portability and Accountability Act or the federal regulations implementing the Act (collectively referred to as HIPAA), Contractor agrees to perform the work in compliance with HIPAA. Without limiting the generality of the foregoing, work performed under this Master Agreement is covered by HIPAA. Contractor shall comply and cause all subcontractors to comply with the following:

5.1. Privacy and Security Of Individually Identifiable Health Information. Individually Identifiable Health Information about specific individuals is confidential. Individually Identifiable Health Information relating to specific individuals may be exchanged between Contractor and Participating Entity or Purchasing Entity for purposes directly related to the provision of services to clients which are funded in whole or in part under this Master Agreement. However, Contractor shall not use or disclose any Individually Identifiable Health Information about specific individuals in a manner that would violate the Participating Entity or Purchasing Entity Privacy Rules, or the Participating Entity or Purchasing Entity Notice of Privacy Practices, if done by Participating Entity or Purchasing Entity. A copy of the most recent Participating Entity or Purchasing Entity Notice of Privacy may be obtained from Participating Entity or Purchasing Entity

5.2. Data Transactions Systems. If Contractor intends to exchange electronic data transactions with Participating Entity or Purchasing Entity in connection with claims or encounter data, eligibility or enrollment information, authorizations or other electronic transaction, Contractor shall execute an EDI Trading Partner Agreement with Participating Entity or Purchasing Entity and shall comply with the Participating Entity or Purchasing Entity EDI Rules.

5.3. Consultation and Testing. If Contractor reasonably believes that the Contractor's or the Participating Entity's or Purchasing Entity's data transactions system or other application of HIPAA privacy or security compliance policy may result in a violation of HIPAA requirements, Contractor shall promptly consult the Participating Entity's or Purchasing Entity's HIPAA officer. Contractor or Participating Entity or Purchasing Entity may initiate a request for testing of HIPAA transaction requirements, subject to available resources and the Participating Entity's or Purchasing Entity's testing schedule.

5.4. If Contractor is deemed to be a business associate of Participating Entity or Purchasing Entity under HIPAA's Privacy Rule, 45 CFR Parts 160 and 164, Contractor hereby provides Participating Entity or Purchasing Entity with satisfactory assurances that if it receives from Participating Entity or Purchasing Entity or any trading partner any protected health information of any individual, it shall maintain the security and confidentiality of such information as required by the HIPAA's Privacy Rule, and other applicable laws and regulations. Without limiting the foregoing, Contractor agrees that:

5.4.1. Contractor will not use or further disclose Protected Health Information otherwise than as permitted or required by this Master Agreement or as required by law;

5.4.2. Contractor will use appropriate safeguards to prevent use or disclosure of PHI otherwise than as provided for by this Master Agreement;

5.4.3. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI by Contractor in violation of the requirements of the Master Agreement;

5.4.4. Contractor will report to Participating Entity or Purchasing Entity any use or disclosure of PHI not provided for by this Master Agreement of which Contractor becomes aware;

5.4.5 Contractor agrees to ensure that any agents, including subcontractors, to whom it provides PHI, agree to the same restrictions and conditions that apply to Contractor with respect to such information;

5.4.6. Contractor shall make available to Participating Entity or Purchasing Entity such information as they may require to fulfill their obligations to account for disclosures of such information;

5.4.7. Contractor shall make its internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from the Participating Entity or Purchasing Entity or trading partner (or created or received by Contractor on behalf of Participating Entity or Purchasing Entity or trading partner) available to Participating Entity or Purchasing Entity and to the Secretary of the United States Department of Health and Human Services, for purposes of determining Participating Entity's or Purchasing Entity's or trading partners' compliance with HIPAA; and

5.4.8. If feasible, upon termination of this Master Agreement, Contractor shall return or destroy all PHI received from Participating Entity or Purchasing Entity or trading partners (or created or received by Contractor on behalf of Participating Entity or Purchasing Entity or trading partners) that Contractor still maintains in any form, and shall retain no copies of such information or, if return or destruction is not feasible, Contractor shall continue to extend the protections of this Master Agreement to such information, and limit further use of the information to those purposes that make the return or destruction of the information infeasible.

Subject to the foregoing restrictions, Participating Entity or Purchasing Entity agrees that Contractor may use such PHI in the process of providing transaction mapping, trading partner profiling and training and mentoring services for Participating Entity or Purchasing Entity and trading partners under this Master Agreement.

**6. Resource Conservation and Recovery.** Contractor shall comply and cause all subcontractors to comply with all mandatory standards and policies that relate to resource conservation and recovery pursuant to the Resource Conservation and Recovery Act (codified at 42 USC 6901 et. seq.). Section 6002 of that Act (codified at 42 USC 6962) requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by the Environmental Protection Agency. Current guidelines are set forth in 40 CFR Parts 247-253.

**7. Substance Abuse Prevention and Treatment.** Contractor shall comply with federal rules and statutes pertaining to the Substance Abuse, Prevention, and Treatment Block Grant, including the reporting provisions of the Public Health Services Act (42 USC 300x through 300x-64).

**8. Audits.** Contractor shall comply and, if applicable, cause a subcontractor to comply, with the applicable audit requirements and responsibilities set forth in the Office of Management and Budget Circular A-133 entitled "Audits of States, Local Governments and Non-Profit Organizations."

**9. Debarment and Suspension.** Contractor shall not permit any person or entity to be a subcontractor if the person or entity is listed on the non-procurement portion of the General Service Administration's "List of Parties Excluded from Federal Procurement or Nonprocurement Programs" in accordance with Executive Orders No. 12,549 and No. 12,689, "Debarment and Suspension". (See 45 CFR part 76). This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory authority other than Executive Order No. 12549. Subcontractors with awards that exceed the simplified acquisition threshold shall provide the required certification regarding their exclusion status and that of their principals prior to award.

**10. Medicaid Compliance.** To the extent Contractor performs any work whose costs are paid in whole or in part by Medicaid, Contractor shall comply with and cause its subcontractors to comply with the federal and State Medicaid statutes and regulations applicable to the work, including but not limited to:

10.1. Keeping such records as may be necessary to disclose the extent of services furnished to clients and, upon request, furnish such records or other information to Participating Entity or Purchasing Entity, the Secretary of Health and Human Services, and as otherwise directed by Participating Entity or Purchasing Entity;

10.2. Complying with all applicable disclosure requirements set forth in 42 CFR Part 455, Subpart B;

10.3. Complying with any applicable advance directive requirements specified in 42 CFR section 431.107(b)(4); and

10.4. Complying with the certification requirements of 42 CFR sections 455.18 and 455.19.

Contractor shall include and cause all subcontractors to include in all contracts with subcontractors receiving Medicaid, language requiring the subcontractor to comply with

DocuSign Envelope ID: A11D4769-4304-42EF-B964-E38147568EB0

the record keeping and reporting requirements set forth in this section and with the federal laws identified in this section.

**11. Americans with Disabilities Act.** Contractor shall comply and cause all subcontractors to comply with Title II of the Americans with Disabilities Act of 1990 (codified at 42 USC 12131 et. seq.) in the construction, remodeling, maintenance and operation of any structures and facilities, and in the conduct of all programs, services and training associated with the performance of work.

**12. Pro-Children Act.** Contractor shall comply and cause all subcontractors to comply with the Pro-Children Act of 1995 (codified at 20 USC section 6081 et. seq.).

**13. Federal Tax Information.** Contractor shall comply with the provisions of Section 6103(b) of the Internal Revenue Code, the requirements of IRS Publication 1075, and the Privacy Act of 1974, 5 U.S.C. §552a et. seq. related to federal tax information.

**14. Educational Records.** Contractor shall comply with the provisions of the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99).

**EXHIBIT D to NASPO VALUEPOINT MASTER AGREEMENT  
NASPO ValuePoint DETAILED SALES DATA REPORT FORM**

Field Name	Field Description
CONTRACTOR	The awarded Contractor's name
CONTRACTOR CONTRACT NUMBER	Lead State assigned contract number (using Lead State's numbering protocol)
STATE	State postal abbreviation code (Alaska = AK, Missouri = MO, etc.)
CUSTOMER TYPE (SEGMENT)	State Gov't, Education-K12, Education-HED, Local Gov't, Medical, Other - are acceptable segments. [determined by Industrial practice for each contract - uniform for each contract]
BILL TO NAME	Customer (agency) Bill to name
BILL TO ADDRESS	Customer (agency) Bill to address
BILL TO CITY	Customer (agency) Bill to city
BILL TO ZIPCODE	Zip code in standard 5-4 format [standard 5 digits is acceptable, formatted as a zip code]
SHIP TO NAME	Customer (agency) Ship to name
SHIP TO ADDRESS	Customer (agency) Ship to address
SHIP TO CITY	Customer (agency) Ship to city
SHIP TO ZIPCODE	Zip code in standard 5-4 format [standard 5 digits is acceptable, formatted as a zip code]
ORDER NUMBER	Contractor assigned order number
CUSTOMER PO NUMBER	Customer provided Purchase Order Number
CUSTOMER NUMBER	Contractor assigned account number for the purchasing entity
ORDER TYPE	Sales order, Credit/Return, Upgrade/Downgrade, etc. [determined by industrial practice for each contract - uniform for each contract]
PO DATE (ORDER DATE)	(mm/dd/ccyy)
SHIP DATE	(mm/dd/ccyy)
INVOICE DATE	(mm/dd/ccyy)
INVOICE NUMBER	Contractor assigned Invoice Number
PRODUCT NUMBER	Product number of purchased product
PRODUCT DESCRIPTION	Product description of purchased product

UNSPSC	Commodity-level code based on UNSPSC code rules (8 Digits)
LIST PRICE/MSRP/CATALOG PRICE	List Price - US Currency (\$99999.999) [determined by industrial practice for each contract - uniform for each contract]
NASPO ValuePoint PRICE	NASPO ValuePoint Price- US Currency (\$99999.999)
QUANTITY	Quantity Invoiced (99999.999)
TOTAL PRICE	Extended Price (unit price multiplied by the quantity invoiced) - US Currency (\$999999999.999)
Discount Percentage	Percent off of List Price- example=20%
NASPO ValuePoint ADMIN FEE	Administrative Fee based on Total Price - US Currency (\$999999.999)
VAR/Reseller/Distributor	If a VAR/Reseller/Distributor, name of VAR/Reseller/Distributor and state where located
Optional	More Information

DocuSign Envelope ID: A11D4769-4304-42EF-B884-E38147588EB0



DocuSign Envelope ID: A11D4769-4304-42EF-B964-E38147568EB0

**EXHIBIT E to NASPO ValuePoint Master Agreement  
Contractors Branch and Distribution Center Listings**

**Exhibit E is incorporated by reference.**

## EXHIBIT F to NASPO VALUEPOINT MASTER AGREEMENT Sustainability and Environmental Policy



Corporate Social Responsibility 



### Sustaining Our Environment

At Grainger, we are committed to conducting business in an environmentally responsible manner, while working to reduce energy use and minimize waste in our operations. To do so most effectively, we focus on the environmental challenges within the material parts of our business: our operations, our products and our supply chain.

## OUR APPROACH

We work to continuously improve our environmental performance across our value chain from our suppliers through our operations and to our customers. We encourage stewardship in our operations, and seek to share the lessons we have learned with others. We partner with several third party sustainability organizations, such as the CDP (formally known as the Carbon Disclosure Project), the GreenBiz Executive Network, the U.S. Environmental Protection Agency, Smartway program, UL Inc. (formerly Underwriter's Laboratories, Inc.) and the U.S. Green Building Council to help us align our environmental investments with our stakeholders' expectations.

---

### Our Operations

We primarily focus our efforts where we can have the most influence. Grainger's DC account for roughly 38 percent of our operations and will proportionally increase as we expand our service offering. Inherent to this footprint is an opportunity for energy management. We closely monitor our energy consumption and improve our green energy mix by researching sustainable solutions to increase efficiency and utilize renewable energy. When possible, we invest in onsite renewable energy, purchase renewable energy credits and green tariffs.

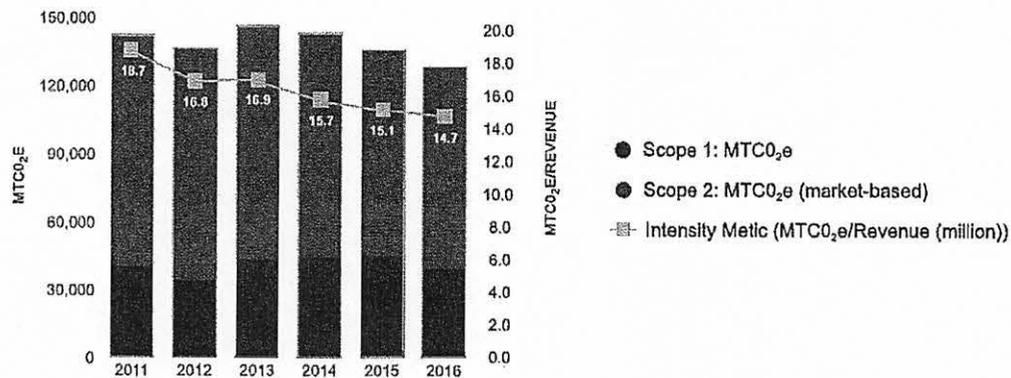
**Climate Change Disclosure** We recognize that climate change is a significant global issue. The company is taking steps to more effectively manage its energy use and greenhouse gas (GHG) emissions. Grainger has participated in the CDP since 2009, providing detail on business risks and opportunities related to climate change. In 2012, we became the first industrial distributor to publicly disclose its carbon footprint.

### Greenhouse Gas Emissions

We are committed to the global effort to reduce GHG. We focus our reduction strategy around two specific areas: reducing GHG intensity and waste in our own operations and supporting emissions reduction in our supply chain through increases in transparency. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy.

Scope 1 and 2 We chose 2011 as our baseline year, in which emissions totaled 142,306 metric tons. During that period, we have reduced Scope 1 and Scope 2 emissions by nearly 10 percent. In 2016, our Scope 1 and 2 GHG emissions were 128,572 metric tons. To help offset these emissions, we participate in green energy procurement.

**Scope 1 & Scope 2 Emissions with Intensity**



Grainger's intensity metric includes the GHG emissions from operations that were under direct operational control as of 2014, the year our goal was set. This includes Grainger, Inc. in the U.S., Grainger Mexico and Acklands-Grainger in Canada. Starting in 2015, Grainger improved its calculations to include all business within operational control after 2014. We verified only our U.S. data through a third party in 2011. Therefore our Base Year calculations include estimates for Acklands-Grainger and Grainger Mexico. We calculated these estimates using the average of 2012 and 2013.

Intensity Target In 2013, Grainger became the first industrial distributor to set a GHG reduction goal. Our target is an intensity goal for GHG over revenue: to reduce our North American Scope 1 and Scope 2 GHG emissions per unit revenue 33 percent by 2020. The goal was designed to be achievable, yet challenge our operations to identify innovative ways to operate more efficiently. We are currently more than half way to our goal, and have reduced intensity to 14.7, a 20 percent reduction since 2011. A 33 percent reduction by 2020 goal focused Grainger on doing business the right way by investing in renewable energy and energy efficiency.

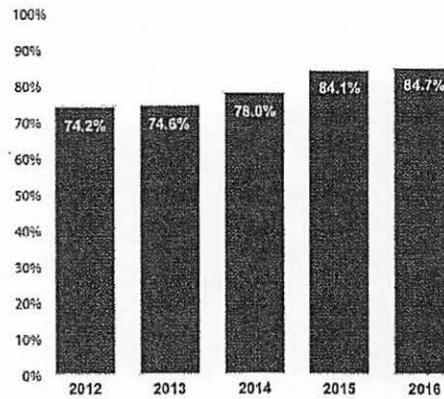
To drive progress toward this goal, our GHG target is included in the performance appraisals for our corporate sustainability team. In addition, energy reduction and efficiency projects reduce utility expenses and improve operating expenses, indirectly effecting profit sharing for U.S. team members.

**Recycling and Waste**

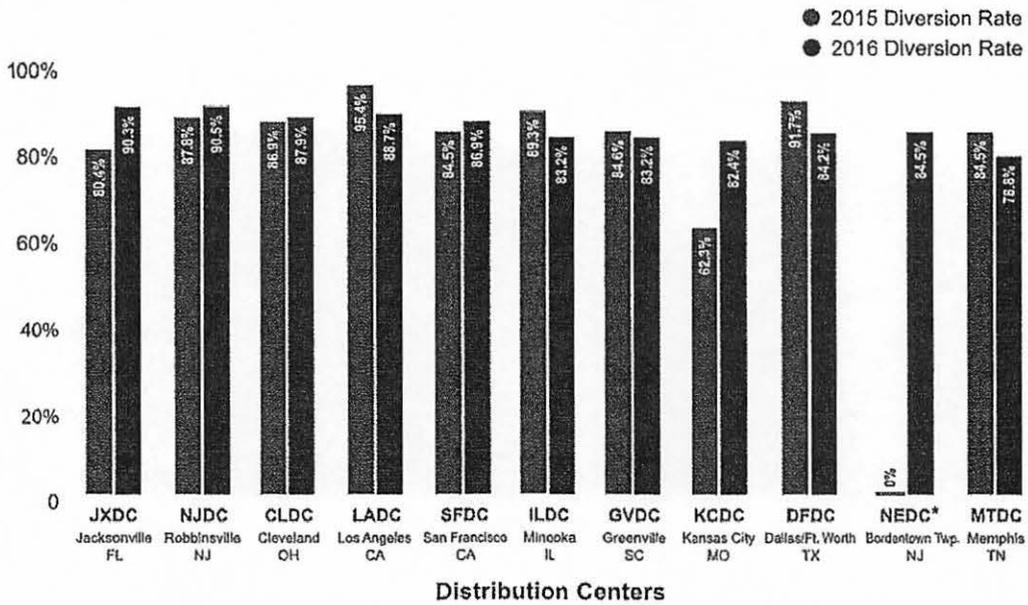
By standardizing recycling practices and sharing best practices across its network, we are continually improving the recycling rate in our U.S. distribution centers. Teams are trained to use a color-coded system to separate and bale materials such as cardboard, plastic wrap and metal and are encouraged

to share and test ideas for ongoing improvements. As a result of these efforts, our diversion rate has increased for four consecutive years.

DC Network Diversion Rate (Amount of waste diverted from a landfill)



DC Recycling Rate



\*New DC brought into the network in 2016

**HIGHLIGHTS**

- The DC network recycling rate finished 2016 at 84.7 percent.
- KCDC saw the highest improvement with a 20 percent improvement in their 2016 diversion rate.
- The recycling rates at JXDC, NJDC, CLDC and SFDC also improved in 2016 vs. 2015.
- NEDC finished at 84.5 percent in the first year of operations at the facility.

**Water Conservation**

Grainger does not directly manufacture the products it sells so our water consumption is minimal. However, we do measure our water footprint and look for opportunities to reduce usage, such as installing water efficient fixtures and evaluating the landscaping irrigation programs at our largest facilities. Grainger's total water consumption in the U.S. in 2016 was 514,802 cubic meters.

**Anatomy of a Sustainable Distribution Center**

 <p><b>LED LIGHTING</b> Approximately one quarter of our operations use LED lighting with occupancy sensors, reducing electricity consumption by 80 percent compared to conventional lighting.</p>	 <p><b>ELECTRIC CAR CHARGES</b> Grainger encourages team members to use electric cars by installing charging stations closest to the entryways.</p>	 <p><b>ROOF</b> Light-colored materials reflect heat, while dark roofs, such as those made of asphalt and tar, absorb heat, driving up air-conditioning consumption in order to offset it.</p>	 <p><b>NATURAL LANDSCAPING</b> The landscaping at our distribution centers are designed to work with the natural environment, reducing the need for irrigation.</p>
 <p><b>RECYCLING</b> We design our distribution centers with conveyor systems that help Grainger sort recycling from the waste stream.</p>	 <p><b>RENEWABLE ENERGY</b> We have installed 5.3MW of renewable energy on the rooftops of our DCs.</p>	 <p><b>BUILDING MANAGEMENT SYSTEMS</b> A state of the art building automation system controls HVAC, Lighting, and building systems, reducing energy consumption by 10 percent.</p>	 <p><b>LEED CERTIFICATION</b> Six of our distribution centers are LEED certified which helps ensure the design of the building is built to high standards of efficiency.</p>

**Our Products**

Grainger provides customers with the products they need to keep their businesses running over the long term. As part of this, we work to understand how these products affect the environment. Our customers have increasingly requested environmentally preferable products and we stock them to improve our service. We currently offer more than 72,000 products that help customers maintain sustainable facilities through efficient energy management, water conservation, waste reduction and air-quality improvement.

### Environmentally Preferable Product Offering

Partnering with our suppliers, we work to create a more sustainable workplace for our customers and our communities through our offering of environmentally preferable products. These environmentally preferable products are designated on Grainger.com® by a green leaf and totaled more than \$556,000,000 in sales in 2016.

### Easy Search and Select for Greener Products



For a product to be classified as environmentally preferable it must maintain one or more environmentally preferable attributes or third-party certifications such as WaterSense®, ENERGY STAR® or Green Seal. We ask our suppliers to provide these attributes or certifications, and our external partner, UL Inc., verifies the viability of the attribute to the product.

---

### Green Ambassadors

In 2016, more than 100 Grainger team members registered to serve as Green Ambassadors, a group of team members who are passionate about the environment and work together to raise awareness and change behavior for the good of our business and the planet. The program encourages sharing sustainability best practices among Grainger locations and offers opportunities for grassroots involvement.

For example, in 2016, the Green Ambassadors organized an Earth Day event at our Lake Forest headquarters. More than 20 vendors displayed green products from Grainger.com® that help team members reduce their environmental footprint at home and at the office. The team also ran a recycling drive for household materials that often are hard to recycle at home. They collected shoes, paper shredding, batteries and wine corks. During the year, our ambassadors completed more than 1,300 sustainability tasks and are the lifeblood of our sustainability efforts

---

## Our Supply Chain

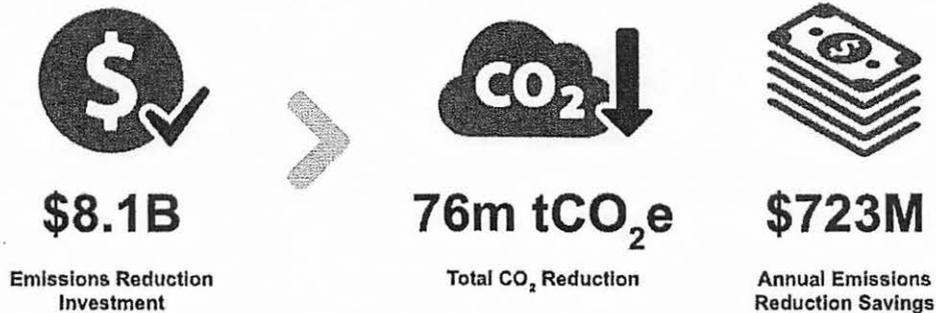
We view our suppliers and vendors as our allies in improving our emissions and waste reduction performance. We rely on a network of third-party carriers to meet our transportation needs, we work with our largest suppliers to innovate and improve our distribution packaging, and collect data and share best practices in sustainability across our value chain by expanding our partnership with the CDP to include suppliers who participate in the CDP Supply Chain Program.

## Supply Chain Stewardship

Addressing emissions across our value chain is as significant as addressing them in our own operations. That's why we're engaging with suppliers through the CDP Supply Chain survey to create more change than would be possible on our own. In 2016, this partnership helped us engage with our suppliers to learn more about their emissions reduction strategies. We successfully completed our pilot year with responses from more than 80 of our largest vendors. In total, our suppliers' efforts reduced 76 million metric tons of CO<sub>2</sub>, resulting in more than \$700 million in annual savings for their respective businesses.

---

### CDP Supply Chain Supplier Performance



## Transportation

Grainger relies on a network of third-party carriers for its transportation needs. The company works closely with these providers to continually identify opportunities to maximize efficiency and minimize fuel use. In 2016 Grainger improved container utilization, resulting in an annual reduction of 27.4 CO<sub>2</sub> metric tons. Grainger continues to be the only industrial supplier to be recognized by the U.S. Environmental Protection Agency (USEPA) as a SmartWay® partner. The program provides a forum for the USEPA and businesses to collaborate in order to improve the environmental efficiency of their supply chains by reducing GHG emissions and air pollution.

DocuSign Envelope ID: A11D4769-4304-42EF-B964-E38147568EB0

**FORWARD: What's Coming in Our 2017 Report**

- Increase CDP supply chain participation
- North East Distribution Center rooftop solar panel system
- Expanded data collection for overseas operations in Europe