

The Nevada Division of Purchasing on behalf of the
Western States Contracting Alliance

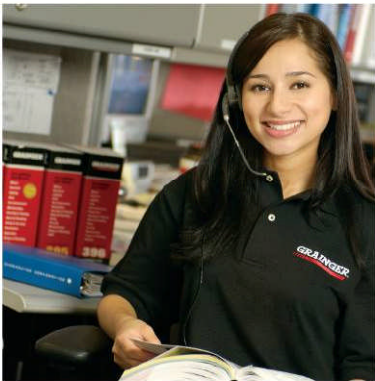
(WSCA)

Multi-state Contract for
Facilities Maintenance,
Lighting Products,
Industrial Supplies & Tools

RFP # 1862

Part 1 – Technical Proposal

October 20, 2010



Service Delivered™

The products and services you need
to help you get the job done.





October 20, 2010

State of Nevada
Department of Administration
Purchasing Division
515 East Musser Street, Suite 300
Carson City, Nevada 89701

Attn: Gail Burchett, Purchasing Officer

Re: WSCA RFP 1862

Dear Ms. Burchett,

To suggest that our government institutions are being asked to do much more with far fewer resources is an understatement. Achieving the important missions of state and local governments has always been a challenge, but the pressure to provide services in a fair and cost-effective way has never been more daunting.

Grainger is committed to providing the necessary products and resources to serve you. Over the last 9 years, Grainger's exceptional service, value-added programs and physical presence have enabled 39 states, hundreds of political subdivisions and thousands of end-users across America to benefit from the WSCA contract. We are proud to have worked with WSCA to provide a contract solution that has offered government institutions a choice. In doing so, we have helped reinvent the way public purchasing professionals think about procurement. And most importantly, together, we have saved taxpayers millions of dollars each year while delivering quality products and value-added services.

On behalf of Grainger's employees, more than 400 branches and 9 distribution centers that serve WSCA, I would like to thank you and the Evaluation Committee for the opportunity to provide Grainger's response to RFP 1862, a Multi-State Contract for Facilities Maintenance, Lighting Products, Industrial Supplies and Tools.

Our proposal includes:

- Grainger's most comprehensive and competitive total package to WSCA to date, the foundation of which is based on actual customer purchasing patterns that have leveraged Grainger's global supply chain network over the past 9 years.
- A seamless implementation plan that supports every state in the country, as well as political subdivisions interested in WSCA's new contract.
- Demonstrated support for sustainability and green initiatives, small and disadvantaged businesses, emergency preparedness and business continuity.

- Expertise in reducing our customers' total cost of acquisition through innovative solutions such as Inventory Management and Consultant Services which help customers optimize inventory positions and reduce inventory on hand, as well as identify cost savings opportunities and improve productivity.
- Corporate commitment to contract management, contract compliance, and contract transparency.

Our product offering of more than 600,000 products is by far one of the most comprehensive and has truly served as a "One-Stop" shop for our customers over the past 9 years. Our dedicated government sales organization with over 500 dedicated government sales specialists has provided our WSCA customers the highest levels of customer service unique to the public sector. Grainger's national footprint with local presence through our branch network and one of the broadest product lines in the industry have allowed us to provide our WSCA customers with the products they need when they need them. In addition, our investments in eCommerce have made our products and service readily available 24 hours a day, as we help to increase our customers' productivity and ease of ordering.

In sum, Grainger understands that public procurement professionals are working harder than ever to maintain public infrastructure and deliver services to their constituents in the face of very real budget constraints. For the past 9 years, our broad line offering and competitive pricing offered through our current contract #7066 with WSCA has helped states and communities navigate these waters. We are proud to be part of the communities we serve and look forward to continuing our partnership with WSCA into the future.

My commitment to you is this: we will continue to serve WSCA and its Members with our resources, including 500 Government Sales Specialists, 4000 Customer Service Representatives, along with over 400 branches and 9 Distribution Centers, all of which can provide same day service in most of WSCA's Participating Entities' markets. Every day we commit to deliver the best customer experience to all WSCA participating agencies, knowing that we are only successful when we provide value to the citizens they serve.

You have my commitment.

Sincerely,



Jim Ryan
Chairman, President and CEO
W.W. Grainger, Inc.



The Nevada Division of Purchasing
Request for Proposal No. 1862
on behalf of the Western States Contracting Alliance (WSCA)
For

A MULTI-STATE CONTRACT FOR FACILITIES MAINTENANCE, LIGHTING PRODUCTS, INDUSTRIAL SUPPLIES AND TOOLS

Release Date: August 20, 2010
Deadline for Submission and Opening Date and Time:
October 7, 2010 @ 2:00 p.m.

For additional information, please contact:
Gail Burchett, Purchasing Officer
gburchet@purchasing.state.nv.us
(775) 684-0170
(TTY for the Deaf and Hard of Hearing: 1-800-326-6868.
Ask the relay agent to dial 1-775-684-0170/V.)

Contact Information

**This document must be submitted in the "State Documents"
section/tab of proposers' technical proposal**

See Page 19, for instructions on submitting proposals.

Company Name [W.W. Grainger, Inc.](#)

Address [100 Grainger Parkway](#) City [Lake Forest](#) State [IL](#) Zip [60045](#)

Telephone [\(916\) 503-0229](#) Fax [\(916\) 471-0515](#)

E-Mail Address: doug.m.d'alessio@grainger.com

Prices contained in this proposal are subject to acceptance within [130](#) calendar days.

Contact Person _____

Print Name & Title [Doug D'Alessio, Sr. Government Sales Manager, WSCA Program Manager](#)

Executive Summary

Grainger is pleased to respond to the State of Nevada's RFP No. 1862, a Multi-State Contract for Facilities Maintenance, Lighting Products, Industrial Supplies and Tools. Over the last nine years, Grainger's exceptional service, value-added programs and physical presence has enabled 39 states and thousands of government end users to benefit from the Western States Contracting Alliance contract.

Today, WSCA Members are served by a branch network second to none, ensuring just-in-time service for all their maintenance, repair and operation (MRO) needs. Last year alone, Grainger provided over 443,000 counter transactions to WSCA Members in its local branches and shipped nearly 74,000 orders to WSCA Members on a just-in-time basis. We can do this because of our:

- Over 13,000 U.S. based employees
- \$1 billion in nationwide inventory
- 439,000 products (SKUs) found on Grainger.com and 350,000 products found in its General Catalog
- 400+ branch locations with each carrying nearly \$1 million in a broad line of industrial products such as heating, plumbing, lighting, hand and power tools, and electrical and safety supplies, including hard to find MRO products
- 13 Distribution Centers (DCs) with an estimated 16.5 million square-feet of inventory space housing nearly 350,000 industrial supply products available for same day and next day delivery
- 2 New DCs in Northern California and Illinois to come online in the next two years that will add two million additional square feet to Grainger's distribution network and improve our already superior product availability
- Green Catalog with over 8,000 products (SKUs)

These investments, along with our stellar customer service, provide a response to the State of Nevada's RFP that includes:

- Grainger's most comprehensive and competitive price offer to date, which is tailored to WSCA Member actual purchasing history and habits. We leverage this information and our global supply chain network to provide the best value products and prices to WSCA Members;
- A seamless implementation plan that would support every state in WSCA, with additional incentives to grow the contract to the other states across the nation and their political subdivisions interested in WSCA's new contract;
- Demonstrated support for:
 - Sustainability and green initiatives;
 - Small and disadvantaged businesses (including Service-Disabled Veteran-Owned Businesses); and
 - Continuity and emergency response, including assisting in sustaining procurement operations in a disaster;
- Expertise in helping our customers reduce their Total Cost of Acquisition through innovative solutions such as Inventory Management and Consultant Services; and,

- Commitment to contract management, contract compliance and contract transparency – Grainger’s IT systems enable performance reporting that ensures compliance with all contractual obligations.

In addition, Grainger will continue to work with the State of Nevada and all WSCA Members to understand how best to meet their needs. We pledge to listen to these customers and gain an appreciation for their policies and procedures. We will use this shared knowledge to help the WSCA customer reduce complexity and improve efficiency.

In summary, Grainger is proud of its accomplishments under its existing WSCA contract and we are committed to building on this foundation of success in helping the State of Nevada and WSCA accomplish the objectives outlined in RFP 1862. The enclosed response reaffirms Grainger’s commitment to providing the products, services and state-of-the-art ordering and delivery systems necessary to exceed WSCA’s expectations.

We hope to continue this partnership and deliver even more value to our existing and new WSCA Members into the future.

TABLE OF CONTENTS

1. OVERVIEW OF PROJECT.....	6
2. ACRONYMS/DEFINITIONS	12
3. SCOPE OF WORK.....	16
4. PROJECT SPECIFICATIONS.....	53
5. COMPANY BACKGROUND AND REFERENCES.....	101
6. SUBCONTRACTOR INFORMATION	113
7. COST.....	115
8. PAYMENT	117
9. SUBMITTAL INSTRUCTIONS	119
10. PROPOSAL EVALUATION AND AWARD PROCESS	126
11. TERMS, CONDITIONS AND EXCEPTIONS.....	130
12. SUBMISSION CHECKLIST.....	138
13. STATE DOCUMENTS	139
Attachment A	143
Attachment B.....	147
Attachment C	153
Attachment D	170
Attachment E.....	173
Attachment F.....	179
Attachment G	183
Attachment H.....	201
Attachment I	202
Attachment J	204

Section 1

Overview of Project

A Request for Proposal process is different from an Invitation to Bid. The State expects proposers to submit creative, competitive solutions to the agency's stated problem or need, as specified below. Proposers may take exception to any section of the RFP. Exceptions should be clearly stated in Attachment B (Certification of Indemnification and Compliance with Terms and Conditions of RFP) and will be considered during the evaluation process. The State reserves the right to limit the Scope of Work prior to award, if deemed in the best interest of the State NRS §333.350(1).

1. OVERVIEW OF PROJECT

The State of Nevada, Purchasing Division on behalf of the Western States Contracting Alliance (WSCA) has administered a very successful multi-state contracting effort for over (8) eight years for the products which are the subject of this new solicitation. During calendar year 2009, over 35 States have participated in the contract and purchased over \$360,000,000.00 in products. The current contract will soon expire. Accordingly the State of Nevada Purchasing Division on behalf of WSCA is seeking a supplier or suppliers to provide Facilities Maintenance, Lighting Products, Industrial Supplies and Tools. Proposals will be considered from qualified proposers that can provide all products at minimum of one entire category listed below and be able to supply the products to a minimum of one entire State.

- Heating, Ventilation, Air Conditioning/Refrigeration (HVAC)
- Air Filters
- Lamps, Ballasts and Fixtures
- Cleaning
- Material Handling Repairs
- Security
- Motors and Accessories
- Electrical Repairs and Equipment
- Fasteners
- Batteries and Flashlights
- Outdoor Garden Supplies and Equipment
- Paint and Accessories
- Plumbing
- Pneumatic Tools
- Power Tools and Accessories
- Safety
- Hand Tools
- Welding and Soldering

This procurement contemplates a multi-state scope and may result in more than one award. The award(s) will consider, but not be limited to the following factors.

- Experience in performance of comparable engagements/References
- Conformance with the terms of this RFP

Section 1 Overview of Project



- Expertise and availability of key personnel
- Return Policy
- Distribution points
- Delivery
- Shipping
- Reporting Capabilities
- Contract Management
- Disaster Recovery Plan
- ESB/MBE& WBE Programs
- Retail Store/Will Call Availability
- Growth Incentives
- Reasonableness of pricing
- Range of commodities offered
- Scope of geographical coverage offered
- The States' judgments concerning the proposer's capability to meet demand within the proposed geographical area
- Web based ordering System
- The quality and availability of recycling or environmental conservation programs, including products offered
- The marking of green products in the online catalog when applicable
- The favorability of the terms under which the proposer will do business
- Other criteria as may be listed in the "Desirables" Section Four of this proposal
- Other proposer programs, capabilities, and product characteristics judged to provide additional value or administrative pricing savings to the Participating States

While the primary purpose of this solicitation is to select a proposer(s) who can offer the supplies for all Participating States, proposers are permitted to submit a proposal on more limited geographical areas, however, not less than one entire Participating State. Proposers must clearly describe the geographical limits (e.g. by State name) if proposing a geographical area less than that of all Participating States. However, if a Proposer elects to submit a Proposal for a single State then the Proposer must be willing to supply the entire State and will not be allowed to add additional States following award or at any time during the term of the contract or any renewals.

A Participating State may evaluate and select a proposer for award in more limited geographical areas (e.g. A single state) where judged to be in the best interests of the State or States involved. Administration of any such award(s) will be done by the Participating State(s) involved unless the awarded contract includes the Lead State in its geographical area.

WSCA, Participating States, and Purchasing Entities reserve the right to competitively solicit for additional sources for commodities during the contract term, where deemed to

be in the best interests of the State(s) or entities involved. Further, Participating States may have existing awards for commodities within the scope of this solicitation.

Any Participating State reserves the right to award partial commodity categories or not participate in the award if deemed to not be in the best interests of that Participating State.

All pricing listed shall be ceiling prices with the option for Participating States to negotiate more favorable discounts for large orders.

The Participating State may elect to designate the resulting contracts as permissive, or mandatory.

1.1. VOLUME DISCOUNTS

General

Additional volume and other price discount options are encouraged, which can distinguish between individual order minimum quantities, cumulative volume discounts, and other discount terms that may be defined by the proposer. Extensions of additional discounts are not required but may be evaluated if offered.

Cumulative Ordering Volume Discounts

The proposer is invited to identify additional percentage discounts if total cumulative ordering volumes (by all Purchasing Entities) exceed an amount specified by the proposer. If the volume of total orders exceeds that amount in any quarter, the offered discount will apply to future orders during the term of the award(s), as extended through option exercises.

Additional Volume Discount for Minimum Order Quantity

The proposer is also invited to identify additional discounts for minimum order quantities. Purchasing Entities may consolidate purchases in order to take advantage of any volume discount extended by proposer for minimum orders, so long as a single delivery location at the discretion of the Purchasing Entity is specified.

Minimum Orders

No minimum dollar or item count is allowed on orders from Authorized Purchasers. Participating States reserves the right to authorize a minimum via their Participating Addendums.

1.2. CATEGORIES

This proposal has been divided into categories with items that generally represent those most frequently purchased during the previous contract period. These commodities are listed in the pricing section, Attachment H, of this solicitation.

1.3. ADMINISTRATIVE FEES

The successful proposer will remit to the WSCA an Administrative Fee in the amount of one-half of one percent (.5%) of the total sales from this contract.

1.3.1. The pricing listed on the “Pricing Schedule” of this proposal shall include the WSCA Administrative Fee.

ADMINISTRATIVE FEES MAY NOT BE ADDED AS A LINE ITEM ON ANY INVOICE.

1.3.2. A statement verifying the total sales amount must accompany the remittance. This remittance will be due not later than 45 days after the last day of each calendar quarter. Please provide a sample statement document for review.

1.3.3. In addition to the WSCA contract administration fee as stated above, some Participating States may also require an administrative fee. Specific State Administrative Fees may be added to the price of each item.

1.4. ESTIMATED PURCHASES

The total purchase of any individual item on the contract is not known. The Purchasing Division has attempted to give an accurate estimate of probable purchases of each item for the contract period. The Purchasing Division does not guarantee that the Participating States will buy any or all estimated amounts of any specified item or any total amount.

1.5. CONTRACT LENGTH

The contract period shall be for an initial three (3) years with the option to extend for one (1) additional (3) three year term provided:

- There are no changes in terms;
- The contractor(s) agree to the extension; and
- The extension is in the best interest of WSCA and the Participating States.

1.6. ALLOWABLE PRICE INCREASES

- Pricing changes must be held firm for the first year of the contract. Pricing may be amended semi-annually thereafter.
- Price increases may be allowed after the first year of the contract provided that the changes are mutually agreed upon by both WSCA and the contractor(s) and conclusive evidence of a need for the price increase is substantiated by the Producer Price Index, Consumer Price Index or similar pricing guide. Any price decreases shall be immediately passed along to the purchaser.

1.7. CONTRACT PARTICIPANTS

Apart from the Lead State conducting the solicitation, the States indicated in Attachment F have signified their intent to enter into a contract. This Intent to Participate is not binding. Other States may use awards based on this solicitation at any time during the contract period.

1.8. PARTICIPATING ADDENDUMS

- A Participating Addendum must be executed by any State that decides to adopt a WSCA contract.
- A Participating Addendum shall be executed for each contractor by the individual State desiring to use their contract.
- Additional States may be added with the consent of the contractor and the Lead State (on behalf of WSCA) through execution of Participating Addendums.
- A Participating Addendum allows for each Participating State to add terms and conditions that may be unique to their State.
- The Participating State and the Contractor shall negotiate and agree upon any addition terms and conditions prior to the signing and execution of the Participating Addendum.
- States are not mandated to sign a Participating Addendum with all awarded vendors.

Upon successful award, Grainger offers to provide Market Basket items, all categories, and access to its entire catalog to every state in WSCA, every other state in the United States, the District of Columbia, and territories of the United States, subject to the execution of the appropriate Participating Addendum. Grainger will work with the lead state to develop a mutually acceptable process and repository for individual states to participate with the new agreement. In addition, Grainger has developed a process for any non-state entity to affiliate to the contract in order to ensure all participating entities acknowledge the use of the new WSCA procurement vehicle. Upon award, Grainger will host and manage this affiliation process with instruction from the lead state.

Over the past nine years, Grainger has refined and perfected adding WSCA Members onto the MRO contract. We started with 10,000 accounts and \$28 million in revenue in 2002 and have expanded that to 60,000 accounts and \$360 million in revenue today.

We will continue to work with Nevada, as the lead state, to refine our processes and ensure that individual states are aligned to any new contract as soon as possible after award. With the success that we have had under our current contract we believe that our existing customers will be even more pleased when presented with any new contract. Similarly, we are confident that any new contract will continue to attract new customers.

Grainger is in the process of developing an automated, simple database to allow customers to participate under any of our cooperative agreements. This process will allow Political Subdivisions and other non-State Agencies to affiliate to their State's WSCA Agreement and enjoy the benefits their State has elected through their Participating Addendum.

Section 2

Acronyms / Definitions

2. ACRONYMS/DEFINITIONS

For the purposes of this RFP, the following acronyms/definitions will be used:

<i>Awarded Proposer</i>	The organization/individual that is awarded and has an approved contract with the State of Nevada for the services identified in this RFP.
<i>Authorized Purchaser</i>	A State or other authorized entity participating on this WSCA contract that places orders.
<i>Confidential Information</i>	Any information relating to the amount or source of any income, profits, losses or expenditures of a person, including data relating to pricing or price submitted in support of a proposal or proposal. The term does not include the amount of a proposal or proposal. See NRS §333.020(5) (b).
<i>Division</i>	Department of Administration, Purchasing Division.
<i>E-Commerce</i>	The buying and selling of products or services over the Internet
<i>Forced Substitution</i>	The act of replacing any item with an alternate item via the use of software or any other method, resulting in the substitution of any item on any order without the prior consent of the purchasing entity.”
<i>Goods</i>	“Goods” means all things (including specially manufactured goods) which are movable at the time of identification to the contract for sale other than the money in which the price is to be paid, investment securities (Article 8) and things in action. NRS §104.2105.
<i>Green Products</i>	“Green products” mean “environmentally preferable products” in this solicitation. Green products are products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison applies to life cycle of a product extraction of raw materials, manufacturing, packaging, distribution, use, reuse, operation, maintenance, and disposal.
<i>LOI</i>	Letter of Intent - notification of the State’s intent to award a contract to a proposer, pending successful negotiations; all information remains confidential until the issuance of the formal notice of award.
<i>Level III Reporting</i>	Detailed Procurement Card reporting consistent with Credit Card industry standards.
<i>MSA</i>	Master Service Agreement

<i>May</i>	Indicates something that is not mandatory but permissible.
<i>NAC</i>	Nevada Administrative Code
<i>NASPO</i>	National Association of State Procurement Officials. NASPO is a non-profit association dedicated to strengthening the procurement community through education, research, and communication. It is made up of the directors of the central purchasing offices in each of the 50 states, the District of Columbia and the territories of the United States.
<i>MSDS</i>	Material Safety and Data Sheets
<i>NRS</i>	Nevada Revised Statutes
<i>NOA</i>	Notice of Award- formal notification of the State’s decision to award a contract, pending Board of Examiners’ approval of said contract, any non-confidential information becomes available upon written request.
<i>Participating State</i>	Before award a Participating State refers to those that has signed Intent to Participate and is listed in this RFP. After award a Participating State is one who has signed a Participating Addendum.
<i>Proposer</i>	Organization/individual submitting a proposal in response to this RFP.
<i>Public Record</i>	All books and public records of a governmental entity, the contents of which are not otherwise declared by law to be confidential (see NRS §333.333 and NRS §600A.030 (5) must be open to inspection by any person and may be fully copied or an abstract or memorandum may be prepared from those public books and public records.
<i>RFP</i>	Request for Proposal - a written statement which sets forth the requirements and specifications of a contract to be awarded by competitive selection NRS §333.020(7).
<i>Shall/Must/Will</i>	Indicates a mandatory requirement. Failure to meet a mandatory requirement may result in the rejection of a proposal as non-responsive.
<i>Should</i>	Indicates something that is recommended but not mandatory. If the proposer fails to provide recommended information, the State may, at its sole option, ask the proposer to provide the information or evaluate the proposal without the information.
<i>Sourcing Team</i>	An independent committee comprised of a majority of State officers or employees established to evaluate and score proposals submitted in

response to the RFP pursuant to NRS §333.335.

State

The State of Nevada and any agency identified herein.

Subcontractor

Third party, not directly employed by the proposer, who will provide services identified in this RFP. This does not include third parties who provide support or incidental services to the proposer.

Trade Secret

Means information, including, without limitation, a formula, pattern, compilation, program, device, method, technique, product, system, process, design, prototype, procedure, computer programming instruction or code that: derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by the public or any other person who can obtain commercial or economic value from its disclosure or use; and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

WSCA

The Western States Contracting Alliance (WSCA) is a cooperative group-contracting consortium for state government departments, institutions, institutions of higher education, agencies and political subdivisions (e.g., colleges, school districts, counties, cities, etc.) for the States of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, and Wyoming. WSCA is a cooperative purchasing arm of the National Association of State Procurement Officials (NASPO).

Section 3

Scope of Work

Mandatory

3. SCOPE OF WORK- THIS SECTION IS MANDATORY- PROPOSERS MUST MEET THE FOLLOWING CRITERIA FOR THEIR PROPOSAL TO BE ACCEPTED AND SCORED BY THE SOURCING TEAM.

3.1. ORDERING CAPABILITIES

Orders resulting from this contract will be placed directly with the proposer by the individual Purchasing Entity. The proposer must have toll free telephone and fax numbers for use by those entities located outside of the proposer's toll free area. The proposer will ship and bill as requested by the purchasing agency. The purchasing agency will remit payment directly to the proposer. As an example, there are approximately 1,000 possible separate delivery locations within the State of Nevada. The number of locations will vary by Participating States.

3.1.1. Please supply your toll free telephone and facsimile number.



Phone Number: 800-WSCA-GWW



Fax Number: 866-WSCA-GWW



Email: WSCA@grainger.com

Please note: The specific contact information above is subject to change but dedicated numbers will remain toll free upon award.

Grainger has an extensive distribution network consisting of over 400 branches, supported by 13 distribution centers, with a 14th distribution center under construction in Patterson/San Francisco, California. All are connected and integrated to allow WSCA Members* to seamlessly purchase from Grainger either by walk-in, phone, fax or online. To simplify ordering and customer service, Grainger has created dedicated WSCA toll free phone and fax numbers which will be immediately activated upon award. This will make it even easier for WSCA Members to make inquiries, receive quotes or place orders.

Upon award, Grainger will also activate the national e-mail notification that will be routed to the Member's nearest local branch so that the Customer Service and Sales Representatives that WSCA Members have relied upon for years will be there again to help, assist and meet WSCA Members' needs. Grainger will provide Web-based training addressing the terms and conditions of this new agreement to all its employees at all branches. This will ensure each inquiry, quote or order will be handled consistently across all WSCA Members. This capability will also assist in educating WSCA Members of the features and benefits of the potential award.

(*Grainger understands the WSCA structure and its relationship with the other states under the umbrella of the National Association of State Procurement Officials. For the purpose of this response, Grainger will use "WSCA Members" to denote any state or authorized entity wishing to participate in the contract resulting from this solicitation.)

Section 3 Scope of Work



3.1.2. In addition to the items shown on Attachment H, Purchasing Entities will be allowed to order from a successful proposer's catalog(s) and website for delivery anywhere within the Participating States. WSCA requires internet catalogs that are web based or contained on media for use on a personal computer. Any awarded proposer must make catalogs available on CD upon request to any Purchasing Entity.

Grainger's online presence, Grainger.com, and Grainger's General Catalog, have a broad array of products in all 18 categories identified in Attachment H and more. Grainger.com offers more than 439,000 items, and Grainger's published General Catalog offers more than 350,000 items. All of these products are available through Grainger's easy to use Web site, Grainger.com.

For more information on ordering from Grainger's Web site, Grainger.com, please see Section 3.5.

In addition to Grainger's catalog and online presence, Grainger offers WSCA Members multiple channels for product orders, inquiries and customer service:

- ➡ Grainger.com
- ➡ eProcurement
- ➡ Counter Will Call Service at Local Branch
- ➡ Telephone calls
- ➡ Faxes
- ➡ Mail
- ➡ EDI

Grainger will make catalogs available on CD upon request; CDs will be updated annually. However, Grainger encourages Members to utilize the channels listed above for easy access to product availability, current pricing, quote requests, technical support and customer service.

Grainger printed 2.4 million catalogs for our customers in 2010. Grainger's General Catalog is recognized in our industry as a leading resource and tool for facilities maintenance supplies. In keeping with Grainger's commitment to the environment, every page is printed on Forest Stewardship Council (FSC) paper. The FSC is an independent, non-governmental, not-for-profit organization established to promote responsible management of the world's forests. Their rigorous certification ensures the origin of the paper and the entire chain of control meets the highest standards for bettering our environment and planet.

3.1.3. Catalog(s) must be submitted with the proposal as described in the Submittal instructions, Section 9.

Grainger provides a copy of its General Catalog as part of our proposal response. Please advise and we can provide additional copies.

3.2. F.O.B. DESTINATION

Prices for all items associated with this contract are to be FOB Destination anywhere within the Participating States or geographic area offered. Any exceptions to this provision must be clearly stated on Attachment B of this document.

For standard ground delivery Grainger will ship all orders free of charge, FOB destination. Free standard ground delivery applies to all orders to Hawaii and Alaska as well. WSCA Members shall pay the cost of any expedited or special handling requirements.

3.3. INTERNET ORDERING

Successful proposer shall provide Internet Catalogs for all agencies as described below.

3.3.1 Internet Catalogs available? XX Yes ___ No

3.3.1. Provide a descriptive narrative for the type of internet catalog offered, and a URL link.

Grainger.com

Grainger.com provides online ordering capabilities and product search capabilities with full access to branch inventory and services. Our online offering includes over 439,000 products with easy to use search functionality and ordering process. (See Section 3.5 for a more in-depth description of our online offering.)

Grainger was one of the first companies to make their catalog and ordering capabilities available via the Internet, realizing early on that more and more customers were looking to conduct their business electronically. As a result, Grainger's Internet sales have grown to \$1.5 billion and as of year end 2009 represented 24% of overall revenue. In the marketplace, this makes Grainger the number one MRO Web site and number 19 in relation to all other Web sites.

Additional eCommerce Information

- **Electronic marketplaces** – Grainger has extensive experience in facilitating customers' purchasing through eCommerce platforms. Grainger can connect to customers through electronic marketplaces, exchanges or enterprise purchasing software systems using universal technology standards such as cXML. Customers can "Punch-Out" to Grainger's online catalog, create a requisition and return the shopping cart back to the marketplace for review and approval.
- **Direct connections to customers' Enterprise Resource Planning (ERP) systems** - Grainger also offers the ability to integrate its General Catalog and buying process with customers' purchasing and ERP systems. Customers who wish to "Punch-Out" directly from their ERP can access Grainger's online catalog and return the shopping cart back to their purchasing system to manage the order workflow.
- **Content File** - Grainger eProcurement also offers a shopping solution to the customer comprised of Grainger specific data deployed behind the customer's firewall (catalog resident on customer's own system rather than visiting Grainger's online catalog site via Punch-Out). This enables the customer to shop a static catalog through their current internal systems. Often the content is associated with the customer's Web-based purchasing application.

Section 3
Scope of Work



The customer determines the data fields contained within this catalog, the data itself and the search engine that is used. Grainger has the ability to meet many different catalog specifications along with many different formats for deployment (i.e. Excel, tab delimited, CIF) as outlined further below.

The charts below reflect Grainger’s experience and flexibility in offering customers options for **Marketplaces, Technology Standards and Electronic Catalog formats**. Grainger has experience with:

Marketplaces			
Aeroexchange	eSchool Mall	K12Buy	Quadrem
Ariba	eVA (State of Virginia)	Ketera	Requisite
Birch Street Systems	Exostar	MRO Software	SAP
Buy Efficient	Global Healthcare Exchange (GHX)	OB10	SciQuest
Coupa	GoPeriscope	Oracle	Shipserv
Datastream	Great Plains	Oracle Exchange	SmartEquip
DSSI	Heiler Software	Osiris	Verian Technologies
eBuy (USPS)	Higher Markets	P2P	Veriscape
eMall (GSA)	Hubwoo	Pantellos	Vinimaya
Elcom	I2 Technologies	Peoplesoft	Xign
Enporian	IBM/Maximo	Perfect Commerce	
Epicor	Infor	Perfect Pro	
ePlus	J.D. Edwards	Periscope	

Technology Standards		
cXML	OCI	UNSPSC
EDI Transaction Sets: 810, 820, 824, 850, 855, 857, 997	Punch-Out	xCBL
	Round Trip	

Electronic Catalog Formats
CIF
Delimited
Access

Please note: Further details regarding these features and benefits may be found in Grainger’s response to Section 3.5 below. These services are offered at no cost from Grainger under this contract.

Section 3
Scope of Work



- 3.3.2. Vendors must designate market basket items in their online catalogs for ease of ordering. What symbol or marking will you use to identify market basket items?



All WSCA Market Basket products will be clearly identified with the WSCA logo that will help Members easily search for those products online at Grainger.com. In addition, WSCA Members will be able to see all products in the WSCA Market Basket or search Grainger's entire General Catalog online, enabling WSCA Members to easily take advantage of the contract benefits. As noted below, as a new eCommerce capability, when a WSCA member logs onto Grainger.com, they will immediately be directed to the "WSCA Community".

- 3.3.3. Vendors shall designate all environmental preferable products (EPP) in their online catalogs. Describe the designation (symbol) that you will use to identify these EPP products.



When shopping on Grainger.com, the green leaf symbol will help WSCA Members identify environmentally preferable products (EPP) that will help them meet their sustainability objectives. A "green" filter has been added to Grainger.com that allows Members to search and view all EPP available products.

Products identified with the green leaf are classified into two categories:

- **Certified Products:** Many products meet "green" standards established by a recognized organization such as Energy Star, Green Seal, Ecologo, just to name a few. These organizations specialize in setting standards and evaluating performance for products that offer customers an environmentally preferable solution.
- **Non-Certified Products:** These products have environmentally preferable attributes and, in some cases, are in categories where standards have not yet been established. Non-certified products, designated by Grainger suppliers, include products that reduce energy (e.g. motion sensors), have low/no VOCs that meet [SCAQMD standards](#) and recycled content products that meet or exceed [EPA standards](#).

Grainger has partnered with TerraChoice Environmental Marketing to ensure that our labeling of EPP products is clear, transparent and void of "Greenwashing", a practice in which product labels mislead customers regarding the item's environmental benefits. Grainger will continue to use Terra Choice expertise and maintain a rigorous methodology for adding new "green" products to our catalog.

In addition to our product offering, under the contract, Grainger will provide significant added-value at no cost to help WSCA Members to operate in a more sustainable manner:

- **Green Reporting** – Accountability and compliance can be significant barriers to implementing a sustainability initiative. To help, Grainger has the ability to review past purchases made by WSCA Members to assist in determining what products purchased can be categorized as “green.” Using historical data, Grainger will assist WSCA Members (nationally and/or at the local level) in setting and measuring progress towards EPP goals. For example, 2007 EPP purchasing has increased by 44% when compared to 2009. By establishing a baseline, WSCA Members can set realistic improvement goals and hold individual locations accountable.
- **Green Cross Referencing Services** – To assist in meeting EPP goals, Grainger will cross-reference historical purchases, as well as those made through other vendors, to locate greener product alternatives at no additional costs to WSCA Members.
- **Supplier Assessments** – Several of Grainger’s supplier partners offer more than 20 assessment services at no additional cost; from power quality audits to green cleaning training to waste reduction services. These services will be coordinated locally through Grainger Sales Representatives.
- **Sustainability Consulting** – Through our own experiences with sustainability, Grainger has developed a high level of expertise in sustainable operations. Grainger’s Consulting Services division, at no cost, works with customers to identify areas of opportunity focused around four key environmental savings categories: Energy, Water, Waste and Air.

3.4. E-COMMERCE DESCRIPTION

The successful proposer shall have a proven record of E Commerce capabilities, with the technology and support personnel to provide content deployment or punch out access to their online catalog, for the purpose of supporting the purchasing web sites of the Participating States. Provide a clear narrative addressing the statement above.

At the heart of Grainger’s eCommerce solutions is Grainger.com. Last year eCommerce sales were more than \$1.5 billion, representing over 400,000 online transactions per month. In 2009, WSCA Members accounted for a total of \$81 million and approximately 250,000 transactions. Grainger’s focus is on delivering “Easy to Find”, “Easy to Use” and “Easy to Connect” eCommerce solutions that meet customer needs. In addition to product search and selection, Grainger’s eCommerce helps in the areas of supplier consolidation, purchase visibility and control, product standardization, automated business processes and total procurement cost reduction. Grainger continually invests in eCommerce.

Grainger offers the following eCommerce solutions:

eCommerce - Business and Technical Services

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

- **Grainger.com** - Provides online ordering capabilities and product search capabilities with full access to branch inventory and services.
- **Electronic marketplaces** – Grainger connects to customers through electronic marketplaces, exchanges or enterprise purchasing software systems using universal

technology standards such as cXML. Customers can “Punch-Out” to Grainger’s online catalog, create a requisition and return the shopping cart back to the marketplace for review and approval.

WSCA Members may also utilize Grainger.com as their electronic marketplace.

- **Direct connections to customers’ Enterprise Resource Planning (ERP) systems -** Grainger offers the ability to integrate its General Catalog and buying process with customers’ purchasing and ERP systems. Customers who wish to “Punch-Out” directly from their ERP can access Grainger’s online catalog and return the shopping cart back to their purchasing system to manage the order workflow.
- **Content File -** . Grainger eProcurement also offers a shopping solution comprised of Grainger-specific data deployed behind the WSCA Member’s firewall (catalog resident on WSCA Member’s own system rather than visiting Grainger’s online catalog site via Punch-Out). This enables the WSCA Member to view and shop a static catalog through their current internal systems. Often the content is associated with the WSCA Member’s Web-based purchasing application.

The WSCA Member determines the data fields contained within this catalog, the data itself and the search engine that is used. Grainger has the ability to meet many different catalog specifications along with many different formats for deployment (i.e. Excel, tab delimited, CIF) as outlined in Section 3.5 below.

For the past 15 years, Grainger has worked with and developed the following internal teams to provide superior service and content and/or Punch-Out solutions to support customers, including the purchasing Web sites of the Participating States:

- **Electronic Commerce Consulting Services Team –** Grainger’s experienced and seasoned team of 24 consultants is ready to perform baseline reviews of WSCA Members’ eBusiness platforms.

Grainger Consultants work with our sales team to identify and prioritize eBusiness customer electronic connection opportunities based on customer requirements and timelines. Electronic Commerce Consulting Services Team members perform a technical assessment to ensure how Grainger can connect with the customer’s software platform and integrate systems. Technology standards are developed while ensuring business requirements are addressed and met. Consulting Managers also assist in user training to offer a collaborative and customized approach to the change management component of the system upgrade and while adoption is in progress.
- **eCommerce Operations Team -** 22 member team

The eCommerce Operations Team Members include Business-to-Business (B2B) Implementation Managers, eServices Specialists, System Analysts and a fully staffed Customer Care Team. The eCommerce Operations Team manages customer projects from inception to implementation by creating a thorough project plan that includes gathering data requirements, establishing connectivity, customer testing and post production reviews. Grainger’s seasoned team ensures that a customer’s integration goes according to project plan. Grainger has experience with many WSCA Members and technologies. With more than 60,000 accounts on integrated platforms, Grainger knows how to get WSCA Members connected.

➤ **Enterprise Systems Business Systems Team - 25 member team**

This team is responsible for (i) planning, analysis, and development of new software functionality for the Grainger.com and eProcurement Sites; (ii) automated and manual testing of all releases to production; (iii) advanced support for customer issues experienced on Grainger.com; and (iv) operational duties around continued support and functionality on the sites.

With Grainger's eCommerce capabilities and distribution support, WSCA Members may choose to call, fax, walk-in, order over the Internet through Grainger.com, place an EDI order or order through a procurement solution such as SciQuest, Ariba, SAP or Oracle and be confident they are receiving the customer service Grainger has built its business on for more than 80 years.

3.5. E- COMMERCE and WEB CATALOG CAPABILITIES

Proposers must explain their E-Commerce capabilities in detail. Proposers must have, at a minimum, the E-Commerce and web site catalog capabilities listed below. Please provide a brief explanation of how your web site catalog provides these features.

Grainger's world class eCommerce site, Grainger.com, has contributed to approximately \$81 million in 2009 WSCA purchases with nearly 250,000 transactions representing over 77,000 WSCA users.

In the spirit of continuous improvement, Grainger is excited to provide a new eCommerce capability to our WSCA Members, called the "WSCA Community". When a WSCA Member logs onto Grainger.com, they will immediately be brought to the WSCA Community. The WSCA Community provides content designed specifically for WSCA Members, making their online experience even easier, more relevant and faster than they experience today. We've included some sample screen shots and examples below in this section.

- **Multiple search options from narrow options to specific search criteria;**

Product search capabilities and Matchmaker selection guidelines – Grainger.com's unique advanced Search feature allows each WSCA Member to search by:

- Keyword(s),
- Grainger item number,
- Manufacturer/brand,
- Manufacturer model number,
- National Stock Number (NSN),
- Cross-reference number,
- Supplier Diversity products,
- Green products,
- Categories or product index, and
- Logo for green and WSCA Market Basket items. (This feature allows Members to view the full Grainger catalog page).

Section 3 Scope of Work



Enhanced features help customers find items within certain product categories based on specifications needed (i.e. **MotorMatch**, **LampMatch**). This helps Members save significant time by not having to page through a catalog or an index, or having to call for help to find one of these products.

Wildcard Search - By using an asterisk (*), Members may perform a wildcard search. For example, if a Member is looking for a model number but doesn't remember the full number, the Member may type in the first three characters followed by an asterisk (*). Grainger's site will search all of the model numbers that start with those three characters.

Refined Search – Members may further refine their search results by clicking *Search Within these Results*. This feature filters the search results by an additional keyword or description. In addition, Members may further refine their search term by Product Categories, Brand or Price. As refinements are made, detailed technical specifications are shown to allow Members to narrow down even further to the exact product.

In addition, Members may:

- Add or remove refinements to their search without leaving the results page
- Refine their results by product specifications
- Sort by price, availability, model number, brand name and more
- See additional product information without leaving the results page
- Find clearance items and new products in one click
- Find Green and Supplier Diversity products quickly
- Use Search results to compare up to eight products at a time
- See product availability in real time during checkout

- **Display contract pricing;**

Upon registration, or logging on with current username and password to Grainger.com, all WSCA contract pricing will be clearly displayed. Furthermore, all WSCA Market Basket products will be clearly identified with the WSCA logo and Members can easily search for those products online at Grainger.com. In addition, WSCA Members will be able to search for products in the WSCA Market Basket or search Grainger's entire online General Catalog, enabling WSCA Members to easily take advantage of the contract benefits while increasing contract compliance.

- **Have workflow management controls (Desirable, per Amendment 2, Question 28);**

Order Management System – Unique and specific to a Grainger.com registered user, this feature allows WSCA Members to set individual purchasing limits for their end users who order through Grainger.com. Orders that exceed the limit can be electronically routed to the account's administrator for approval. The order management system allows WSCA Members greater control in monitoring and controlling their online purchasing processes. The workflow controls described here are administered by the individual Purchasing Entity and do not require centralized administration by the Participating State.

WSCA Members are able to control and manage their workflow and spend management when registered and logged into grainger.com. At no charge to the WSCA Members, Grainger has developed **Grainger**

Section 3
Scope of Work



Procurement Solutions (GPS), which includes the online Order Management System. GPS provides greater purchasing control through customizable spend management and order visibility functionality with the goal of helping WSCA Members' end users manage their accounts more efficiently.

Grainger's online **Order Management System** lets you:

- Set up an approval process for orders that exceed WSCA Member-specified dollar limits
- Modify delivery and payment information on orders submitted for approval
- Add, remove or change item quantities on orders submitted for approval
- Apply a payment method from your profile to a pending order

Additional features and benefits include:

- Member-specific Account Settings
- Multi-User Management and Approval
- Spend limit controls
- Shared personal lists
- Custom landing pages
- Mass Registration
- GPS set-up

Sample Workflow Management Screen

The screenshot displays the 'Account Administration' page for a user named 'Approver, 1st'. The page includes a navigation menu on the left, a top navigation bar with 'Home | Sign Out | Your Account: 1st Approver', and a search bar. The main content area shows a table of users with columns for Name, Status, Rights, Individual Per-Order Spend Limit, Order Approval Limit, Default Approver, Registration Approval Info, and New User Alert. Two callouts are present: one pointing to the 'Individual Per-Order Spend Limit' and 'Order Approval Limit' columns, and another pointing to the 'Default Approver' column.

Name	Status	Rights	Individual Per-Order Spend Limit	Order Approval Limit	Default Approver	Registration Approval Info	New User Alert
Approver, 1st E-mail User Edit Your Contact Info	Approved	Full	No Limit	\$1,000.00	Manager, Purchasing	View	<input type="checkbox"/>
Barney, kathryn E-mail User Edit User Info Remove User	Approved	Limited			None Selected	View	<input type="checkbox"/>

Spend Limits User & Order Levels

1:1 Approval Flow

- **Online ordering capability;**

Ordering 24 hours per day – Online customers can send orders any time. This allows for quick and easy ordering when convenient for each WSCA Member at each of its locations. Grainger.com provides online ordering capabilities and product search capabilities with full access to branch inventory and services. Below are some of the key features and functionality on Grainger.com:

- **Customer-Specific Pricing** – WSCA Members who log on to Grainger.com with their Grainger-assigned account number will see their contract pricing
- **Item Details** – Product information and facts on each product's [Item Details](#) page
- **Item and Order History** – View a list of list of past orders and items
- **Order Status** – Check orders online
- **Product Comparison** – Save time selecting products by comparing up to eight products and their attributes on one page
- **Personal Lists** – Create online lists of items you order frequently
- **Product Selection Guides** – Help identify the exact product you need
- **Order Management System** – WSCA Members are able to control and manage their workflow at Grainger.com, using **Grainger Procurement Solutions (GPS)**, including an online Order Management System
- **Reporting** – “Download Order History” is a new and valuable feature that gives WSCA Members the ability to download and analyze their purchasing history, better manage and track purchasing trends. When downloading order history, you may choose from multiple options, including text and XML format.
- **Search** – Find products by keyword(s), Grainger item number, manufacturer/brand, manufacturer model number, National Stock Number (NSN), cross-reference number, Supplier Diversity products, categories or product index.
- **Custom Products** – WSCA Members can now customize certain products with their unique size, configuration and message
- **Will Call** – Order online, pick up at your local branch
- **Green Product (Product Compliance and Restrictions)** - Grainger's online [Green Resource Center](#) guides WSCA Members to Green products in multiple certified and non-certified categories. Products appearing online at Grainger.com are marked with the relevant certification symbol for easy identification as Green, Hazardous, regulated under California Proposition 65 and Country of Origin.
- **Supplier Diversity** – Grainger.com offers easy access to a wide range of quality products from small, disabled, minority and women-owned businesses that participate in Grainger's Supplier Diversity Program. This will help WSCA Members meet their SBE/MBE/WBE goals. Simply click on the Supplier Diversity Search button to view a list of Supplier Diversity Products - [Grainger Supplier Diversity](#).
- **American Recovery and Reinvestment Act (ARRA)** – Grainger can help WSCA Member track ARRA grant spend
- **Country or Origin Information** – Identification of Country of Origin products for purposes of complying with certain regulations such as the Trade Agreement Act.
- **Help** – WSCA Members have access to the Grainger.com Customer Care team toll free, 24/7, at 888-361-8649, or may visit Grainger's online [Help](#) section at:

<http://Grainger.com/Grainger/static/help.html>

To get the feel for Grainger's online experience, you can view all [online features](#) at:

http://Grainger.com/Grainger/static/rc_webtools.html

- **Order status and order tracking capabilities;**

WSCA Members can use Grainger.com to track the status of any pending order, regardless of ordering channel (online, phone, fax, e-mail). Customers can determine shipment verification, backorder status, partial order shipments, will call order pick ups and order cancellations for orders placed within the past six months by following these easy steps:

- Logging onto their [Grainger.com](#) account
- Clicking Order Status from the "Your Account" box on the left-hand side of the screen. A split screen will appear.
- Left side of the screen: To view orders placed online, search by Date, Purchase Order (PO), Online Reference Number (assigned by Grainger) or Item Number.
- If you have any questions, our Customer Care team is here to help 24 / 7 – just call **toll-free at 1-888-361-8649**

- **Order history;**

In addition to tracking the status of your order, Members can also look at all orders placed within the past two (2) years using Grainger.com's Order History feature. This feature provides an overview of total purchases and important information which can help WSCA Members better manage their facilities maintenance planning. Just follow these easy steps:

- Log onto your [Grainger.com](#) account
- Click on the Order History link in the "Your Profile" box.
- Search for orders containing a particular item number; sort by any column; add previously purchased items to a current order or a personal list; or view item details, which include a product image.
- If you have any questions, our Customer Care team is here to help 24 / 7 – just call **toll-free at 1-888-361-8649**

Please see the following pages for a sample Order History screen shot and sample Order History report.

Section 3
Scope of Work



Sample Order History Screen

The order history file will contain detailed information about each order. Reports may be customized based on the WSCA Member's specific needs.

Home | Sign Out | Your Account: Toni Rankin

View Your Personal Lists | Order Status | Order History

Catalog 401 Find a Branch

Services Worldwide

Repair Parts About Us

Order History for ToniRankin

[Download Detailed Order History](#)

Download your Grainger online order history reports for detailed spend analysis using popular text or XML formats. Just follow the steps below and your customized data will be displayed.

View Order History for:

Display by: [Items](#) | [Orders](#)

Displayed: 1 - 2 of 2

Order Date	Online Reference #	P.O. #
01/28/10	029724056	029724056
11/24/09	029684084	029684084

Step1: Select Users

Download order history for: Your orders only All users on this account

Step2: Select a Date Range

Download my order history for the last: 7 Days Download my order history beginning on:

Ending on:

Step3: Choose Your File Type

File Type:

Download G.Com Order Data

Section 3
Scope of Work



Sample Order History Report

Order Date	Order Number	Shipping Method	First Name	Last Name	Company	Address	Address2	City	State/Province	Zip	Country
29-Oct-09	6251766	Will-Call	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
29-Oct-09	6251766	Will-Call	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
29-Oct-09	6251767	Will-Call	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
9-Nov-09	6258250	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
16-Nov-09	6261004	Ship-to	VA1st	VA1ast	RB VA	1111 E Main St		Richmond	VA	23219	US
16-Nov-09	6261004	Ship-to	VA1st	VA1ast	RB VA	1111 E Main St		Richmond	VA	23219	US
21-Nov-09	6268766	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
21-Nov-09	6268767	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
21-Nov-09	6268767	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
21-Nov-09	6268768	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
21-Nov-09	6268769	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
21-Nov-09	6268770	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
21-Nov-09	6268771	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
21-Nov-09	6268772	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
21-Nov-09	6268773	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
22-Nov-09	6268774	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
22-Nov-09	6268775	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
22-Nov-09	6268780	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
22-Nov-09	6268784	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
23-Nov-09	6268791	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
23-Nov-09	6268801	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
23-Nov-09	6268801	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	US
24-Nov-09	6268812	Ship-to	VA1st	VA1ast	RB VA	1111 E Main St		Richmond	CAM	23219	MX
24-Nov-09	6268814	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	SE
24-Nov-09	6268814	Ship-to	rbwarf	rbwarf	rb1	30 Madison St		Seattle	WA	98104	SE
25-Nov-09	6268816	Ship-to	VA1st	VA1ast	RB VA	1111 E Main St		Richmond	CAM	23219	MX
25-Nov-09	6268816	Ship-to	VA1st	VA1ast	RB VA	1111 E Main St		Richmond	CAM	23219	MX
25-Nov-09	6268818	Ship-to	VA1st	VA1ast	RB VA	1111 E Main St		Richmond	CAM	23219	MX
25-Nov-09	6268824	Ship-to	VA1st	VA1ast	RB VA	1111 E Main St		Richmond	CAM	23219	SE

This report includes the following fields:

Order History Report - Column Headers and Data	
Categories and Sub-Categories	
Order Date and Order Number	Price
Shipping Information Method, First and Last Name, Company, Address, City, State, Zip, Country, Phone, Fax, Email	Extended Price
Grainger Account Defaults (header level) P.O or AMEX™ Ref, P.O. Release, Project Job, Requisition Name, Department, Phone Extension, Attention/Delivery Instructions	Subtotal
Payment Method	Tax
Line Item Number	Freight
Item	Total Cost
Item Description	Grainger Account Defaults (line level) P.O. Line, Customer Part, Customer Item Notes
Item Brand	UNSPSC Product Category Code
Quantity	

Section 3
Scope of Work



In addition to the Order History download, WSCA Members will have the option to request, on a quarterly basis, a WSCA Members Channel Sales report to better understand sales across Grainger multi-channel capabilities.

Sample WSCA Members Channel Sales Report

STATE	ePro/Edi	Gcom	Offline	Total	%ePro/Edi	%Gcom	%Offline
CA	\$ 377,017	\$ 13,853,483	\$ 61,003,551	\$ 75,234,051	6%	20%	25%
TX	\$ 1,656,719	\$ 11,221,607	\$ 38,145,686	\$ 51,024,012	24%	17%	16%
GA	\$ 1,280,611	\$ 3,778,286	\$ 15,205,357	\$ 20,264,253	19%	6%	6%
LA	\$ 891	\$ 2,793,974	\$ 12,923,331	\$ 15,718,195	0%	4%	5%
WA	\$ 1,469	\$ 3,637,864	\$ 11,474,749	\$ 15,114,081	0%	5%	5%
AZ	\$ 86,184	\$ 4,082,080	\$ 10,650,121	\$ 14,818,385	1%	6%	4%
NJ	\$ 487,633	\$ 1,818,532	\$ 10,932,539	\$ 13,238,704	7%	3%	4%
CO	\$ 198,505	\$ 3,814,938	\$ 7,645,145	\$ 11,658,588	3%	6%	3%
MN	\$ 3,333	\$ 2,540,752	\$ 7,842,108	\$ 10,386,193	0%	4%	3%
NM	\$ 8,138	\$ 2,010,507	\$ 6,944,170	\$ 8,962,815	0%	3%	3%
MD	\$ 1,970	\$ 1,225,299	\$ 7,266,711	\$ 8,493,980	0%	2%	3%

Product Category Level	ePro/Edi	GCOM	Offline	Total	%ePro/Edi	%Gcom	%Offline
Cleaning	\$ 1,382,235	\$ 11,980,594	\$ 32,963,003	\$ 46,325,832	20%	18%	14%
Lighting	\$ 597,034	\$ 7,528,374	\$ 18,831,219	\$ 26,956,626	9%	11%	8%
Safety	\$ 813,840	\$ 7,195,613	\$ 25,322,429	\$ 33,331,881	12%	11%	10%
Material Handling	\$ 560,483	\$ 5,810,657	\$ 20,107,314	\$ 26,478,454	8%	9%	8%
HVACR	\$ 523,372	\$ 5,079,834	\$ 17,165,123	\$ 22,768,329	8%	7%	7%
Electrical	\$ 301,139	\$ 4,552,330	\$ 11,997,822	\$ 16,851,291	4%	7%	5%
Plumbing	\$ 269,537	\$ 3,573,728	\$ 9,461,425	\$ 13,324,691	4%	5%	4%
Hand Tools	\$ 427,252	\$ 3,481,432	\$ 10,577,255	\$ 14,485,938	6%	5%	4%
Power Tools	\$ 399,174	\$ 2,977,644	\$ 9,476,784	\$ 12,853,602	6%	4%	4%
Pneumatics	\$ 116,839	\$ 1,495,832	\$ 5,441,756	\$ 7,054,427	2%	2%	2%

- **Allow users to develop personal lists and profiles, and a secure means for storing procurement card information;**

Personal Lists

Grainger.com offers WSCA Members the ability to create “Personal Lists” of frequently purchased items for simplicity of repeat ordering. WSCA Members can create multiple personal lists, name, modify and order off of those personal lists. Personal Lists may also be shared among multiple WSCA Members using the same Grainger-assigned account number.

Creating a personal list lets WSCA Members:

- Add or delete products on the list, sort or combine lists, and create new lists.
- Order directly from their list by clicking "Add to Order" next to any item.
- Create lists of specific groups of products. For example, you could create lists for specific tools, fasteners or lighting supplies that you order frequently. WSCA Members may create as many lists as needed.
- Share lists with other people on the same account, so they can view and order from other Members’ Personal Lists.
 - Shared usage of these easy-to-access lists can assist WSCA Members in consolidating product orders, avoiding duplication and driving product standardization to reduce costs.
- Use Personal Lists to keep a record of previous purchases.

Section 3 Scope of Work



Sample Personal List Screen

Home | Sign Out | Your Account: **Toni Rankin** | 0 Items in your Order | Contact Us | Help

View Your Personal Lists | Order Status | Order History

Catalog 401 | Find a Branch | Search

Services | Worldwide | Repair Parts | About Us | Today's Features

Personal Lists

Personal Lists help you keep track of your commonly purchased items. You may create a new Personal List from Search Results, Order History and Item Details or by clicking the button below.

[Create New Personal List](#)

View the following Personal Lists: My Personal Lists Shared Personal Lists

Shared List	List Name	Rename List	Created By	Date Created	Date Modified	Click on an
<input type="checkbox"/>	Janitorial	Rename	Toni Rankin	02/25/2010	02/25/2010	ADD TO ORDER
<input type="checkbox"/>	T. Rankin	Rename	Toni Rankin	02/11/2010	02/11/2010	ADD TO ORDER

Update Shared Lists

Personal Lists > View a Personal List

View Another Personal List

Janitorial

Share this list with other users on this account

Learn more about this page

Page: 1 2 3 4 5 View All

Qty Item # Add to List Show more entry fields Add to Order

Select All Items Update

Sort Table By: Item #

Item #	Qty.	Description	Brand Mfr. Model #	Ship Usually Qty.	Ships**	Your Price	Extended Price	Remove
1CG47	1	Hand Cleaner Towel, 72 Count Hand Cleaner Towel, Pre-Moistened, Size 72 Count Per Bucket, Sheet Size 10 1/2 x 12 1/4 In, Color White, Package Quantity 1 >More Details...	SCRUBS 4227249490	1	Today	\$8.86	\$8.86	
		CLEANER, POWDERED, 21 OZ, PK 24 Powdered Cleanser, Nonchlorinated With Bleach, Size 21 Ounces, Package 24 >More Details...	AJAX AUXX	1	Today	\$51.45	\$51.45	

Personal Profile

Grainger.com has an easy to use Personal Profile feature that allows each individual WSCA Member to set up specific user-based profiles to view and edit contact, payment and delivery information:

Log In Options

- Automatically log in by checking "Remember My Sign In Information."
- Retrieve Password - Members may choose a personal question to answer for security purposes when accessing a forgotten password (ex. "What's your pet's name?").

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)

Final Shipping Destination

- Select permanent delivery methods and final shipping destinations for individual account users
- Choose default delivery method with options such as:

Section 3 Scope of Work



- Ship direct to address on order
 - Will call
 - Freight forwarder (international shipments using an intermediate consignee)
- Store and mandate permanent ship to address for all account users
 - Select preferred carrier as a default for all orders on the account

Will Call Orders

- Grainger.com sets up a default pick-up location based on the Grainger branch closest to the zip code on the Member's account registration address
- A user can change their desired location to pick up their order at any time in the check out process or change their default location within their profile if desired
- A "real time" availability check is made to the default branch at time of order placement to communicate product availability

Secure Procurement Card Information (Ghost Cards)

Security Overview

Grainger is acutely aware of the privacy and security concerns of our customers. To ensure our customers have a secure experience, Grainger has implemented multiple firewalls to enhance security. Transmission of sensitive data (orders, credit card info, login credentials, etc.) is always via 1024-bit SSL. All this sensitive information is stored in our system in encrypted format. This allows customers seamless access to use their credit card while protecting the specific user information.

Ghost Cards

Upon initial entry of WSCA Member credit card information online at Grainger.com, Grainger has the ability to house WSCA Member (ghosted) Procurement Cards in a PCI encrypted system to protect the credit card data.

- **Online help to use site should be available at minimum during normal work hours.**

WSCA Members may contact Grainger.com's Customer Care team **toll-free at 1-888-361-8649**, 24 hours a day, 7 days a week.

- **Technical data, illustrations, Material Safety Data Sheets, parts availability, and access to web-based product sourcing is required;**

Technical Data and Illustrations

Grainger's General Catalog, including technical data and illustrations, is included and available in its entirety on Grainger.com.

Material Safety Data Sheets (MSDS) and Catalog Requests

WSCA Members may view or print MSDS as well as request the Grainger General Catalog online at Grainger.com.

Parts Availability

Grainger gives WSCA Members access to approximately 200,000 parts for products in the Grainger General Catalog, including hard-to-find and discontinued items from more than 325 brand-name manufacturers. Parts list and exploded-view diagrams are available online 24 hours per day at Grainger.com. Click on the “Repair Parts” tab to access Grainger’s online Repair Parts center.

Web-based Product Sourcing

Grainger Sourcing (Special Orders) – Grainger’s special order capabilities provides Members with a solution for acquiring infrequently ordered facilities maintenance-related products. Through this channel, Grainger provides quick access to over 6,500 suppliers and more than five million products beyond the Grainger catalog offering. Additionally, this electronic channel provides access to many more products from Grainger General Catalog suppliers. Grainger has hundreds of suppliers that make products that do not reside in the Grainger catalog. Pricing for these items is market-based for each customer based on a price of an item on a given day quoted to a customer which a customer can accept or reject depending on their procurement policies.

Please see **Exhibit 1, Grainger Parts and Sourcing**.

- **Allow viewers to view on line Proposer’s product availability by location; and**

When WSCA Members are looking to see if an item is available at a particular Grainger location, Grainger.com will show real time availability at the user designated location. WSCA Members have the ability to store a preferred branch within their account profile or allow Grainger.com to provide availability based on the branch closest to their location.

Grainger.com also allows WSCA Members to change branch locations to check real time availability at other Grainger locations. If shipment is desired, Grainger.com will provide real time availability at the time of check out and our distribution system will look to the closest Grainger shipping facility that can provide the products within same or next day shipping.

- **Ability to block certain items or categories.**

Grainger.com currently has the capability to block certain items or categories from WSCA Members that have logged onto Grainger.com.

- **Ability to accept “P-Card” payments.**

Grainger accepts all types of VISA, MasterCard and American Express (AMEX) cards as a means of payment for all orders, including Grainger.com purchases. When WSCA Members purchase from Grainger with a credit/procurement card, the credit card company will bill the customer. Therefore, the customer will not receive an invoice from Grainger. The customer will receive a packing slip with each purchase which will serve as the receipt.

- | | | | | | |
|--------|-------------------------------------|-----------|-----|-------|----|
| 3.5.1 | Web-based Catalog available? | <u>XX</u> | Yes | _____ | No |
| 3.5.2. | Contract pricing available on line? | <u>XX</u> | Yes | _____ | No |
| 3.5.3. | Online workflow management? | <u>XX</u> | Yes | _____ | No |

Section 3
Scope of Work



3.5.4. Order Status/Tracking Online?	<u>XX</u>	Yes	<input type="checkbox"/>	No
3.5.5. Order History?	<u>XX</u>	Yes	<input type="checkbox"/>	No
3.5.6. Personal Lists?	<u>XX</u>	Yes	<input type="checkbox"/>	No
3.5.7. Online Availability?	<u>XX</u>	Yes	<input type="checkbox"/>	No
3.5.8. EPP Products identified in Catalog?	<u>XX</u>	Yes	<input type="checkbox"/>	No

The Online WSCA Community

Exclusive to this agreement, Grainger has created a virtual WSCA Member Community. Upon logging into the Grainger.com community, WSCA Members enter a WSCA-branded environment where they will have access to contract-specific information and benefits. WSCA Members can view contract specific pricing and with one click, Members will easily access contract documents as well as view Market Basket items.

1. Ability to effectively communicate WSCA-Grainger contract information to WSCA Members upon login to the Grainger.com virtual WSCA Community
2. Ability to effectively communicate WSCA-Grainger contract information to WSCA Members upon product search
3. Ability to drive compliance to WSCA Market Basket products
4. Ability to create mutually agreed upon banners based on search input
5. Ability to personalize Members' accounts with WSCA Member-specific data fields
6. Ability to create a WSCA eNewsletter tailored to WSCA Community Members (limited to WSCA Members that allow e-Mail Marketing Campaigns). This eNewsletter is and will continue to be a joint effort between WSCA Members and Grainger to ensure the right content and schedule.

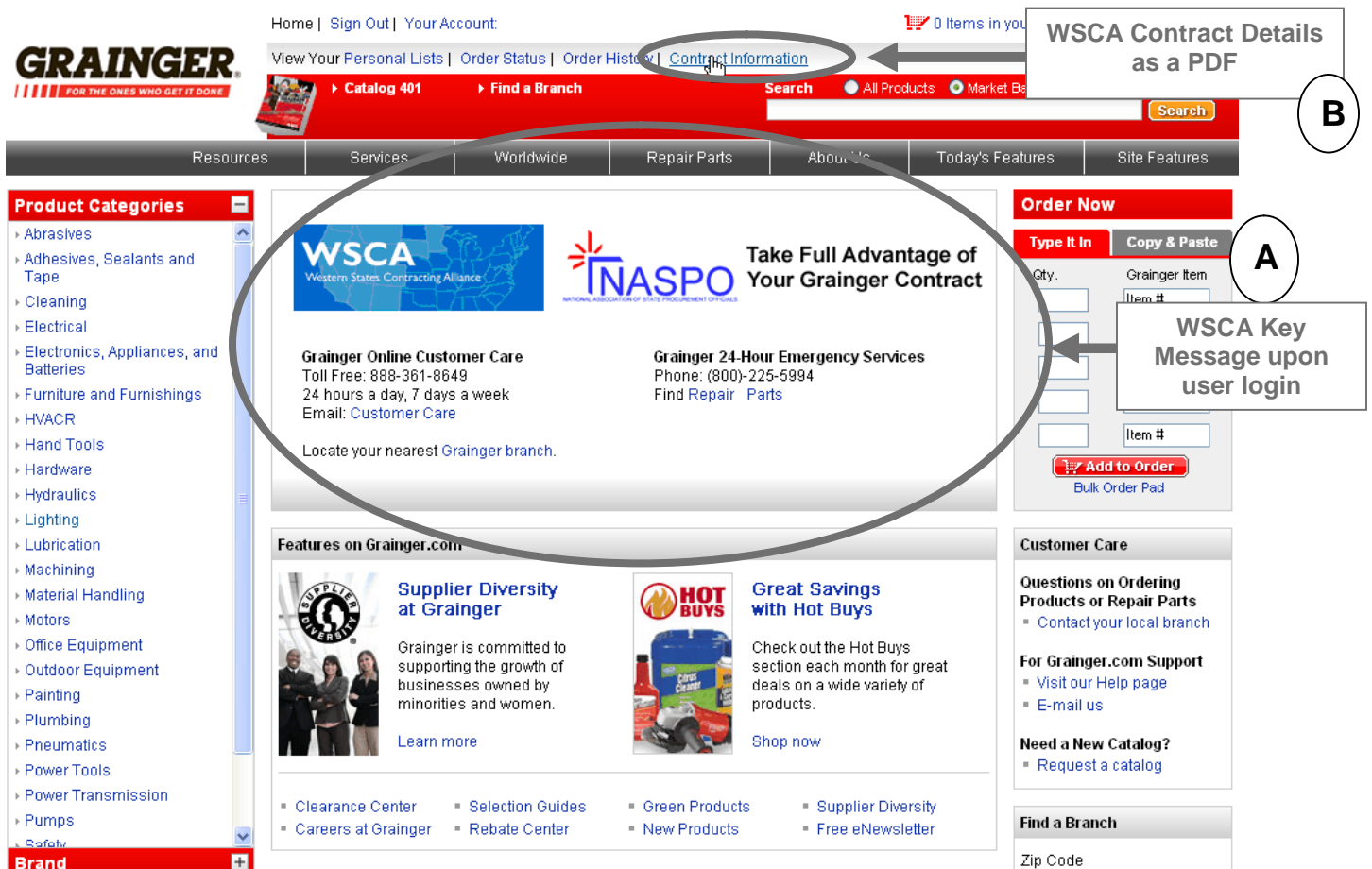
Upon logging into the Grainger.com community, WSCA Members enter a WSCA-branded environment where they will have access to contract-specific information and benefits. WSCA Members will view contract-specific pricing and with one click, Members will easily access contract documents as well as view Market Basket items.

The WSCA-Grainger dedicated team will develop, upon award, a quarterly branding campaign that will message WSCA-related information, including topics that will help WSCA Members improve productivity. The WSCA Community will be updated with information that is relevant and through content spotlighting, Grainger will provide up to date information on programs and products that are important to WSCA Members, as determined collaboratively by the WSCA-Grainger team.

The following pages illustrate the benefits of this new tool:

1. Ability to effectively communicate WSCA-Grainger contract information to WSCA Members upon login to the Grainger.com virtual WSCA Community

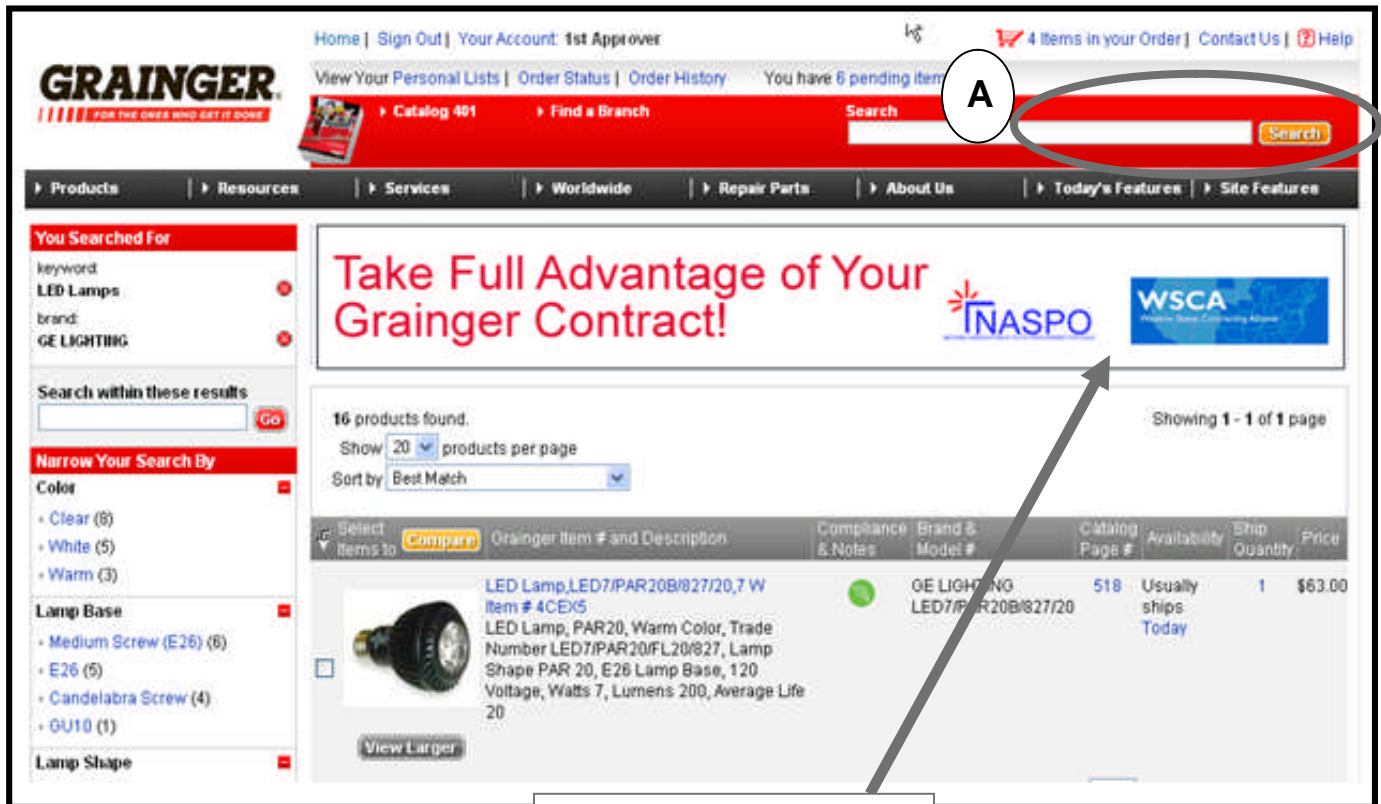
- A** The main section of the new virtual Community will showcase the WSCA logo and allow WSCA Members to communicate key messages to their online end users and purchasers. Upon login, WSCA Members will enjoy a personalized experience with immediate access to key WSCA-Grainger contract information.
- B** An additional link on the top of the page (please see screen shot below) will provide WSCA Members detailed information about the contract and its benefits. WSCA Members will have the ability to download the contract in PDF format to save in their system and/or print for future reference.



2. Ability to effectively communicate WSCA-Grainger contract information to WSCA Members upon product search

A

WSCA Members will have the ability to search on products defined in the WSCA Market Basket or search Grainger's entire General Catalog, enabling WSCA Members to increase contract compliance after award.



WSCA Content Spotlight on
"Market Basket" items
and/or WSCA keywords

3. Ability to drive compliance to WSCA Market Basket products

A

All products associated with the WSCA Market Basket will be clearly identified with the WSCA logo on search results and on the Grainger.com online order form. WSCA Members will be able to visually identify WSCA contract Market Basket products.

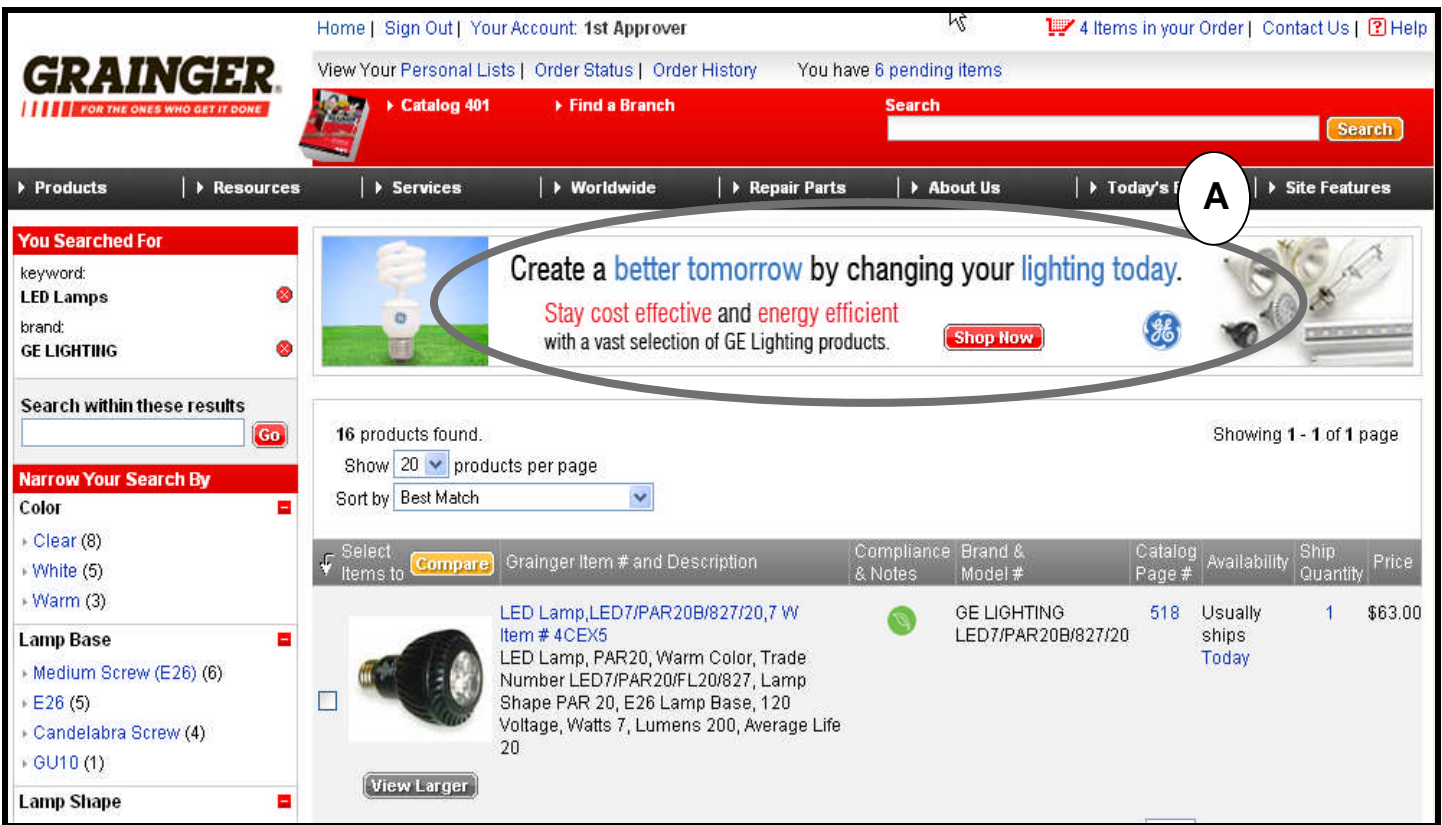
The screenshot shows the Grainger website interface. At the top, there are navigation links like 'Home', 'Sign Out', and 'Your Account: Don Banghart'. A search bar is present with filters for 'All Products' and 'Market Basket'. The 'Market Basket' filter is circled in red. Below the search bar, there are search results for 'hammer'. Two product listings are shown, both marked with a WSCA logo. Callouts with arrows point to the 'Market Basket' filter and the WSCA logo on the product listings. A circled 'A' is also present near the WSCA logo on the second product listing.

Select Items to Compare	Grainger Item # and Description	Compliance & Notes	Brand & Model #	Catalog Page #	Availability	Ship Quantity	Price
<input type="checkbox"/>	Hammer Bit, 1/4 In Item # 4KZ97 Straight Shank Percussion Masonry Carbide Tipped Hammer Bit, Bit Diameter 1/4 Inch, Drilling Length 4 Inches, Cutting Length 6 Inches, Shank Size 1/4 Inch	WSCA	DEWALT DW5225	2987	Usually ships Today	1	\$2.32
<input type="checkbox"/>	Hammer Bit, 1/4 In Item # 4KZ96 Straight Shank Percussion Masonry Carbide Tipped Hammer Bit, Bit Diameter 1/4 Inch, Drilling Length 2 Inches, Cutting Length 4 Inches, Shank Size 1/4 Inch	WSCA	DEWALT DW5224	2987	Usually ships Today	1	\$1.59

4. Ability to create mutually agreed upon banners based on search input

A

WCSA Members will be able to leverage Grainger.com’s powerful search engine on the new WCSA Community to generate WCSA Member-specific banners at the top of the search results page. These banners will be dynamically displayed based on pre-defined WCSA Member keywords. In the example below, the Member searched for “LED Lamps” and a banner with a “GE custom message” appeared with the relevant product. Upon award, Grainger will meet with the lead state and design the WCSA Member-specific banners that will be most relevant to the WCSA Membership.



5. Ability to personalize Members' accounts with WSCA Member-specific data fields

Inside the new virtual WSCA Community, Members will be able to further personalize their experience using a set of seven fields at the order level and three fields at the line item level. Each field can be configured with WSCA Member-specific labels and pre-defined data to be used during the ordering process by all WSCA Members on the account.

Account Customization
Enhance your ordering experience with several customizable selections. Review and make the selections below to customize your Grainger.com ordering process.

Select Your Landing Page
Save time by choosing your Grainger.com starting point. This selection will take you to the page where you want to begin your ordering process.
Set landing page for all users:

Establish Your Item & Order History Access
As a Full Rights User on your registered Grainger.com account, you may select the level of access for other users.
Select level of access: All Users may view their own Item and Order History. All Users may view any user's Item & Order History. Only full rights users may view Item & Order History.

Customize Your Line Items
Create specific line item messaging that will support your organization's purchasing process. Customize the fields below at a line item level within the order form for all users on your account. These fields will also appear on your packing slip and invoice.

Field Name	Required	
AR CMI Location	<input type="radio"/> Yes <input type="radio"/> No	<input type="button" value="Customize"/>
AR CMI Program	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="button" value="Customize"/>
AR Item Notes	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="button" value="Customize"/>
Prices on packing slip	<input checked="" type="radio"/> Yes <input type="radio"/> No	

Customize Your Checkout Experience
Add additional information to your checkout summary. Select up to 5 customizable fields to add to your account.

Field Name	Required	
AR PO Number	<input type="radio"/> Yes <input checked="" type="radio"/> No	<input type="button" value="Customize"/>
AR WO Number	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="button" value="Customize"/>
AR CSI Department	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="button" value="Customize"/>
AR Phone Ext	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="button" value="Customize"/>
AR Delivery Instruct.	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="button" value="Customize"/>
AR PO Release	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="button" value="Customize"/>
AR Req Name	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="button" value="Customize"/>

Customize Fields Entry *Required

Customize Order Form Field

* Field Name: Max Length 25 Characters

To restrict data entry options for all users provide the values below

* Enter Option:

The Following options will display for all users:

Option Successfully Added

Option Name	Remove
Dept A	<input type="button" value="Remove"/>
Dept B	<input type="button" value="Remove"/>
Dept C	<input type="button" value="Remove"/>
Dept D	<input type="button" value="Remove"/>

6. Ability to create a WSCA eNewsletter tailored to WSCA Community Members. This eNewsletter is and will continue to be a joint effort between WSCA Members and Grainger to ensure the right content and schedule.

Talking Shop[®]

Grainger Monthly eNewsletter

In This Issue

- Take our Survey!
- Slips, Trips Falls
- SupplyLink
- Extreme Summer Heat
- TripleGuard
- Featured Manufacturers

[Grainger.com](#) | [Find a Branch](#) | [Sales & Promotions](#) | [Resources](#) | [Bulk Order Pad](#) | [Your Account](#)

Western States Contracting Alliance

Change The Way You See Things
Now you can change the way you view your product search results page on Grainger.com® Choose between [gallery view](#) and [list view](#). Or try both!

Do You Use A Smart Phone? We Want Your Opinion.
Please Take a Brief Survey. To help us simplify mobile access to Grainger.com® Please reply by August 16!
[Take Survey](#)

Are You Prepared for the Heat?

Stay Cool and Safe in Extreme Summer Heat
Use extra precaution to protect everyone from the effects of extreme summer heat.

 Generators Various > Buy Now	 Cooling Safety Vest 2KON7 > Buy Now	 Warm Weather Headwear and Liners 2EMK1 > Buy Now	
 Electrolyte Drink, Liquid Concentrate 3UYV5 > Buy Now	 Canopy Shelter, Width 10 Ft 8 In, Length 20 Ft SPA13 > Buy Now	 Lawn Sprinklers 1HLW5 > Buy Now	

[> See More Red Hot Products](#)

Summer Facility Maintenance – Indoors and Out

This time of year, it's especially important to keep everything looking and running right both indoors and out. We have the products you're looking for.

 Cart Vacuum Various > Buy Now	 Pleated Air Filter Various > Buy Now	 Assembled Locker Various > Buy Now	
 Thermal Imaging System Various > Buy Now	 Parking Curb/Car Stop Various > Buy Now	 Paper Lawn and Leaf Bag 43M24 > Buy Now	

[> Shop more Facility Maintenance items.](#)

3.6. STORAGE OF ELECTRONIC DATA

Describe in detail how the electronic information for each Participating State shall be stored. Do you have a dual system as a back up in the unlikely event that the main information storehouse becomes unusable? Provide a general description of security protocol including storage of data, ordering security and data file security.

Grainger takes its obligation to provide a secure online environment seriously. The following describes our electronic systems redundancy, procedures of data storage and how we secure that information.

Security is multi-faceted within the Grainger environment. Both internet-facing and critical internal systems are protected by multiple layers of firewalls. Sensitive data (orders, credit card info, login credentials, etc.) is transmitted securely, whether on Grainger.com using 1024-bit SSL or internally through appropriately encrypted channels. While at rest in our systems, that same information is encrypted using industry-standard encryption. In addition, access restrictions to data files, including databases, are enforced using the principle of "least privilege" to prevent inappropriate access to data.

Grainger serves a large base of customers, partners and employees. Because of this critical role, data availability, performance, security and capacity for all systems, including Grainger.com and SAP, our enterprise ERP system, are constantly monitored and actively managed.

Grainger's main datacenter is located in Illinois and the disaster recovery (DR) site is in Missouri. Data is kept in sync between these two locations at all times. Testing and validation of the disaster recovery and failover plans for all critical production systems at these locations are conducted annually to ensure continued system availability and data integrity.

3.7. CATALOGS

The successful proposer must provide paper and/or computer media catalogs to all agencies upon request for the duration of this contract.

WSCA Members will have access to order products from Grainger's General Catalog and at Grainger.com, for delivery anywhere within the Participating States.

Paper Catalog

Grainger's General Catalog is one of the first resources that experts reach for when something breaks. Grainger and its catalog are recognized in the industry as a leader in facilities maintenance supplies. With its extensive product listing and descriptions covering over 350,000 products on more than 4,000 pages, this tool can provide WSCA Members with the products they need to solve their problems.

In 2010, Grainger printed 2.4 million catalogs and provided them to its customers, including WSCA Members. The catalog is printed on Forest Stewardship Council (FSC) paper. The FSC is an independent, non-governmental, not for profit organization established to promote the responsible management of the world's forests. Their rigorous certification ensures the origin of the paper and the entire chain of control meets the highest standards. By using FSC certified paper, Grainger supports environmentally appropriate forest management and ensures that the harvest of timber and non-timber products maintains the forest's biodiversity, productivity and ecological processes.

Computer Media Catalog

Grainger.com - WSCA Members will have access to Grainger's online presence on Grainger.com 24 hours a day and 7 days a week. See section 3.3.1 for expanded narrative.

Online WSCA Community - As set forth in detail in Section 3.4, immediately following any award, and upon approval from the lead state, Grainger will activate the newly developed WSCA Community on Grainger.com customized for the WSCA online Member.

3.8. PROCUREMENT CARD POLICY

The successful proposer must offer the capability to accept procurement cards as an acceptable form of payment. Level III reporting is preferred.

3.8.1. Procurement Cards Accepted? **Yes XX** _____ No

3.8.2. Explain in detail your reporting capabilities for procurement card transactions.

Two types of reporting are available for credit card purchases. The first type is provided by Grainger to the WSCA Member. The second type, Level III reporting, is issued by the Member's financial institution, based on information submitted to the financial institution by Grainger.

Grainger Credit Card Purchase Report

Grainger offers a Credit Card report which includes the following:

- Payment method for purchases
- Purchase amount aggregated by State Agency and Political Subdivision level
- Procurement card type – American Express, MasterCard or Visa

Please note: The procurement card number remains confidential and is not included in Grainger's reporting.

Financial Institution Reporting (Level III)

Grainger realizes that Level III reporting is critical for effective transaction and spend management when using a procurement / credit card. Grainger has the capability to transmit data regarding all MasterCard, VISA and American Express ("AMEX") procurement card transactions from Grainger's merchant bank directly to **MasterCard, VISA and American Express**. Grainger provides line item invoice detail to the credit card company. The credit card company in turn provides itemized reports to the customer. Grainger provides the following data fields to American Express, Visa and MasterCard for use in Level III reporting:

1. Grainger Stock Keeping Unit (SKU)
2. Item Description
3. Unit Price
4. Quantity
5. Extended Price
6. Tax Rate (if applicable)
7. Freight (if applicable)
8. Destination zip code
9. Order Date

3.9. FORCED SUBSTITUTIONS

Forced substitutions are not allowed. If an ordered item is out of stock, the vendor must notify the purchasing entity for prior approval before substituting for the out of stock item. Explain your methodology for items that are discontinued or out of stock. This must include your substitution policy.

Grainger's standard business practice and customer service policy for out of stock or discontinued items is to notify each WSCA Member for prior approval before product substitution. Grainger will not force substitutions; rather, each Member will determine the substitution.

Every Grainger transaction is based on a stock keeping unit (SKU), a unique product identifier. When a product is not in stock and/or is not available from the manufacturer or supplier, or is discontinued, our integrated SAP/ERP system immediately notifies the Customer Service Associate (CSA) and, based on the delivery expectations of the WSCA Member, Grainger will offer a substitute product(s) of equal or greater quality, subject to approval from the WSCA Member. The WSCA Member determines if the substitution is acceptable; they follow their policies and processes to determine if the alternate is acceptable.

Explain how you will notify customers about out of stock items and how you will provide information about how the substituted product compares with the product that is out of stock.

Grainger utilizes several methods to notify a WSCA Member if an item is out of stock. If the Member is on the phone or at a Grainger branch counter, they are notified at time of order placement, and the Grainger Customer Service Associate (CSA) will discuss with the Member the options for substitute or alternate items. Grainger's SAP ERP system easily allows the CSA to search for available alternates for the customer to consider. The system allows the CSA to easily view and communicate the product specs and item description for the item alternates to the customer.

For faxed orders, Grainger's customer service policy is to call and notify the WSCA Member of a back order or if an item has been discontinued. Grainger provides the customer with similar information as described above.




For online orders, Grainger.com's compare items feature provides a side by side comparison of available alternates for the customer's consideration. In all instances, the decision to accept a substitute product is solely that of the WSCA Member.

Please see sample Product Comparison Screen Shot on following page:

Product Comparison

Add another Grainger Item #:

Sort Table By: Default

		
Remove	<input type="button" value="Remove"/>	<input type="button" value="Remove"/>
Price	\$44.15	\$33.45
Ship Qty.	1	1
Buy	Qty <input type="text"/> <input type="button" value="Add to Order"/> <input type="button" value="Add to Personal List"/>	Qty <input type="text"/> <input type="button" value="Add to Order"/> <input type="button" value="Add to Personal List"/>
Item #	2W276	5DMT2
Description	Receptacle Base, 32 G	Refuse Container, 32 Gal, 22 In, Gray
Brand	RUBBERMAID	TOUGH GUY
Mfr. Model #	2632	5DMT2
Usually Ships 	Today	Today
Catalog 401 Page	1141	-
Item	Round Container	Receptacle
Capacity (Gal.)	32	32
Color	Gray	Gray
Dia. (In.)	22	22
Height (In.)	27-1/4	27-3/8
Material	Polyethylene	LLDPE
Standards	NSF	-
Agency Compliance	NSF	-
Type	-	Refuse Container
Top	-	Open
Finish	-	Satin

3.10. CUSTOMER SERVICE REPRESENTATIVES

Proposers shall provide each authorized purchaser with customer service representatives assigned to handle questions and resolve all problems that arise.

3.10.1. Service representatives shall be available, at a minimum, from 8:00 am to 5:00 pm in **EACH** time zone, Monday through Friday. Service representatives shall be available by phone (via local or toll free number), fax, or email during the required times for each participating state.

Section 3 Scope of Work






Customer service is fundamental to everything Grainger does. It is our mission to be the customer's first choice for facilities maintenance supplies by providing the best customer service and helping customers solve their problems. Grainger's Customer Service Associates (CSAs) are available, at a minimum, from 7:00 am to 5:00 pm, Monday through Friday, in all time zones.

WSCA Members can easily access this network of experts through a **WSCA toll free number**, to be determined upon award (i.e. 1-800-WSCA-GWW). During normal business hours, this toll free number will route customers to their closest branch location. Similarly, customers can place orders, ask questions or seek other assistance through the WSCA dedicated fax number which, again, will route the fax to the closest branch location during normal business hours.

Outside of normal business hours the WSCA dedicated phone and fax numbers will route those inquiries to our national call center in Waterloo, Iowa, which is available 24 hours a day, 7 days a week. Grainger's national footprint ensures WSCA Members that the local customer service they have come to expect as well as the resources they need to answer their questions and solve their problems is available outside of normal business hours.

Upon contract award, Grainger will activate access to the following WSCA-dedicated customer service team:

-  Phone Number: 800-WSCA-GWW
-  Fax Number: 866-WSCA-GWW
-  Email: WSCA@grainger.com

Please note: The specific contact information above is subject to change but will remain toll free upon award.

- 3.10.1.1. This solicitation is for all States and all time zones. Describe how you will manage the servicing of the contract for each time zone.

As stated above, Grainger's Customer Service Associates are available, at a minimum, from 7:00 am to 5:00 pm, Monday through Friday, in all time zones.

WSCA Members can easily access this network of experts through the **WSCA toll free number**, to be determined upon award (i.e. 1-800-WSCA-GWW). During normal business hours, this toll free number will route customers to their closest branch location. Similarly, customers can place orders, ask questions or seek other assistance through the WSCA dedicated fax number which, again, will route the fax to the closest branch location during normal business hours.

Outside of normal business hours the WSCA dedicated phone and fax numbers will route those inquiries to our national call center in Waterloo, Iowa, which is available 24 hours a day, 7 days a week. Grainger's national footprint ensures WSCA Members the local customer service they have come to expect in all 50 states as well as the resources they need to answer their questions and solve their problems outside of normal business hours.

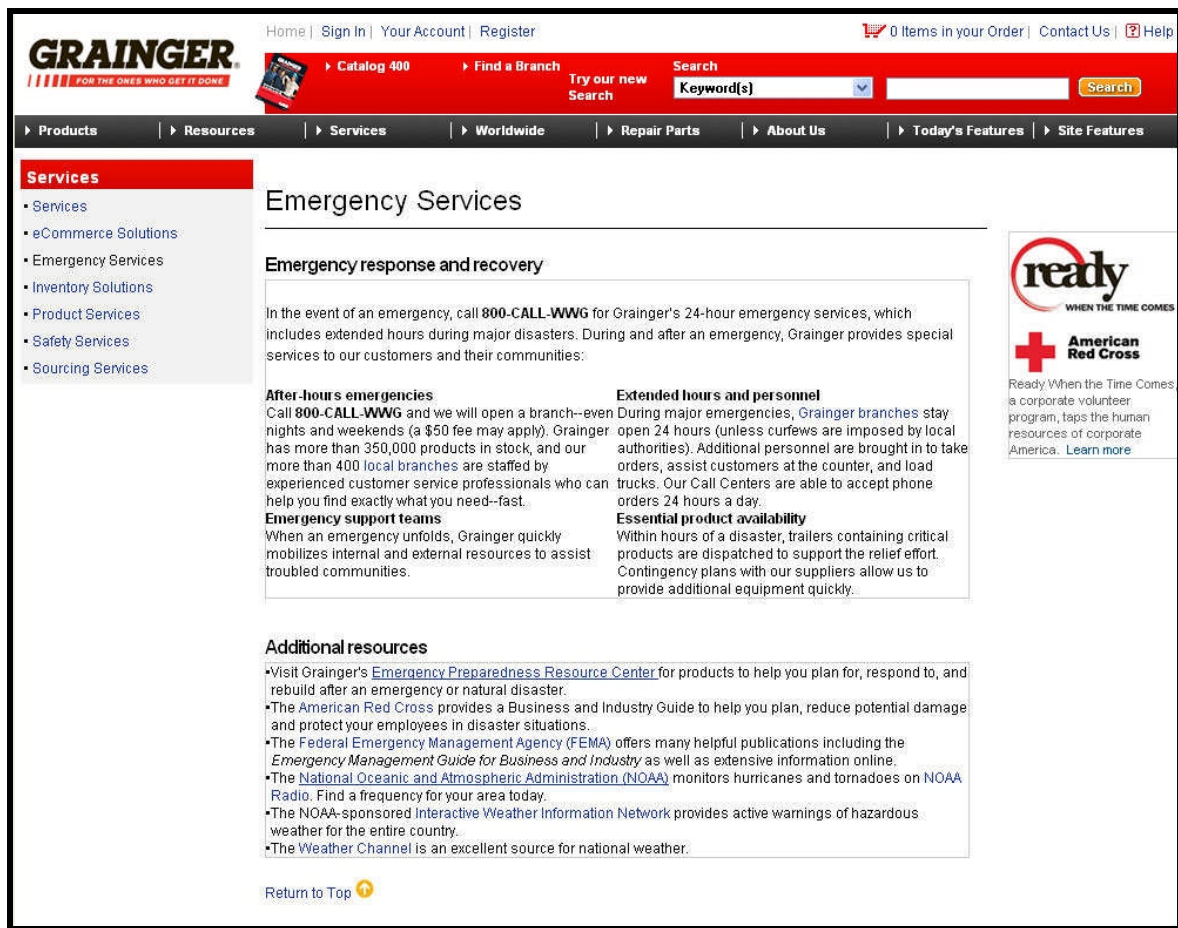
3.10.1.2. Provide an Emergency number and contact for after hours use.

After Hour 24/7 Emergency Service

Grainger's after hours emergency service provides product fulfillment after standard Grainger branch business hours through a **toll-free number (1-800-CALL-WWG)**. Calls are taken at the Grainger Call Center in Waterloo, Iowa and that team springs into action. They contact a local Grainger employee who can then provide whatever assistance is needed for the situation. In a typical situation, this employee will generally contact the WSCA member customer within 60 minutes of the initial call to make arrangements to meet the customer at the local Grainger branch to fulfill the emergency order. For WSCA Members, Grainger will waive its normal \$50 fee applicable to circumstances where there are increased costs associated with expedited processing during non business hours.

24-hour service and additional personnel are provided during major emergencies faced by state and local governments to take orders and assist customers. We explain, in Section 4.9, our commitment when an emergency strikes. Grainger has been on the scene for some of this century's major disasters. We were there for 9/11. We were there for Katrina, and most recently, we were there for the Gulf Oil Spill. We know what to do and how to do it when the emergency strikes.

Below is an excerpt from Grainger.com which highlights our emergency response and recovery service and provides the customer with immediate access to easy to find critical information in the event of an emergency.



The screenshot shows the Grainger website's 'Emergency Services' page. At the top, there is a navigation bar with links for Home, Sign In, Your Account, Register, and a shopping cart icon showing 0 items. Below this is a search bar and a menu with categories like Products, Resources, Services, Worldwide, Repair Parts, About Us, Today's Features, and Site Features. The main content area is titled 'Emergency Services' and includes a sub-section 'Emergency response and recovery'. This section contains text about Grainger's 24-hour emergency services and lists several key capabilities: 'After-hours emergencies', 'Extended hours and personnel', 'Essential product availability', and 'Emergency support teams'. A sidebar on the left lists various services, and a 'Ready' logo with the American Red Cross is visible on the right. The page also includes a 'Return to Top' button at the bottom.

- 3.10.1.3. All service representatives shall have online access to account information and provide a timely response to inquiries concerning the status of orders (shipped or pending), delivery information, back-order information, contract pricing, category discounts, product availability, product information, account and billing questions, and contract compliance requirements.

Grainger's integrated electronic communications' network gives all United States-based customer service representatives immediate access to real time information to help the WSCA Member and provide information including, but not limited to:

- Status of orders (shipped or pending)
- Delivery status
- Backorder status
- Contract pricing
- Category discounts
- Product availability
- Product information
- Account and billing questions

Contract Compliance

Grainger's system functionality facilitates contract compliance such as insuring a customer receives their contract pricing and other benefits of the contract. For specific contract questions, WSCA Members can access the virtual WSCA Community on Grainger.com or contact their assigned Government Sales Representative.

- 3.10.1.4. Describe in detail the process that shall be used to ensure adequate service representatives will be available.

With over 4,000 Customer Service Representatives working with customers nationwide and approximately 400 dedicated Government Sales Representatives, Grainger has the resources available to meet the needs of any WSCA Member. For our Customer Service Representatives, Grainger utilizes a workforce planning tool (Verint) to ensure that Customer Service Representatives are available 24 hours a day. Utilizing Verint's software, Grainger is able to accurately forecast volumes and handle work schedules based on historical trends. This allows us to ensure adequate staffing levels to provide a consistent level of service throughout every interval of the day. Our customer Service Level Agreement is to answer 90% of calls within 20 seconds. WSCA Members can be assured that Grainger will be there to answer their questions or provide whatever assistance is needed.

In addition, Grainger utilizes a sophisticated phone network with phone routing logic that pushes phone calls to the first available phone agent closest to the customer's location. For example, if a customer calls Grainger from Reno, Nevada, the phone logic will begin by trying to place the call into our Sparks, Nevada, location approximately four miles away. If all phone agents are busy, the call will automatically route to Henderson, Nevada, and will continue to route the call until an agent is available.

3.11. TRAINING

Proposer shall provide all training as necessary at no additional pricing to all Participating States on all aspects of ordering, online ordering, product delivery, product returns, and customer service processes.

3.11.1. Describe in detail the Proposer's ability to offer training that may be required to ensure purchasing entities have a thorough understanding of all ordering processes including any online systems. No pricing for product training, safety training, or travel and per Diem.

Grainger envisions a three-tiered approach to training. The training described in this section 3.11 is provided for free to Purchasing Entities:

- 1) Contract Training
- 2) eCommerce Training
- 3) Product and Safety Training

Dynamic and based on customer need, Grainger's training offering is ever evolving. Below are examples which include, but are not limited to, examples of the three types of training mentioned above:

1. Contract Training

The first step in effective training is communication. Advising the new WSCA Members of the existence and the benefits of any new contract is paramount. Grainger will meet each WSCA Member ordering agency to discuss:

- Details of the award;
- Price and discounts including Market Basket items;
- Order placement methods and processes, and
- Introduction of the local Grainger WSCA Member's dedicated Sales and Customer Service Staff

The second step is having experienced and educated trainers who know Government customers and processes. Years ago, Grainger developed the unique needs and expertise required to best service Government customers. As a result, Grainger segmented its sales force and created a dedicated group of Government specialists. This team of experts will be working with each Participating Member to educate and train their buyers. Not only do Grainger's Sales and Customer Service staff have extensive experience working with Government customers and their contracts, they also specifically have nine years of servicing current WSCA Members and the WSCA Organization.

In addition to the benefits of the contract, this team will show buyers how easy it is to order from Grainger and access all ordering channels and related processes and functionality. This includes in person at one of our local branches, on the phone and online through Grainger.com. Similarly, this team will advise and train on product returns and other customer service benefits including the WSCA virtual community, Grainger.com functionality, and where applicable, EDI and Punch-Out ordering.

Within the first 24 hours after any new award, Grainger will notify all of its more than 13,000 US-based employees of the new contract and its key terms. Concurrently, through Grainger's proven experience in winning and implementing many national contracts, Grainger will begin the process of notifying each state to transition them onto the new contract or engage those not currently using the WSCA contract so that they understand the benefits of the new contract. As soon as a state has announced its intent to

Section 3 Scope of Work



participate, Grainger will make available the training programs listed below, at no charge, for each participating WSCA Member.

Grainger will meet each ordering agency to discuss: (i) details of the award; (ii) details regarding the Market Basket Products, including their pricing, and the category discounts; (iii) order placement methods and processes, and (iv) Members will meet their local dedicated Sales and Service staff. Grainger's experienced Sales and Service staff has a long history of working with government customers and implementing their contracts and, specifically, nine (9) years of servicing the WSCA organization and its Members.

Upon contract award, Grainger's knowledge of the different segments within state government will ensure our ability to notify and train state, local and educational institutions on the value of the new WSCA contract.

2. eCommerce Training

Grainger.com

For online ordering systems, Grainger's training begins with user guides. The assigned Government Sales Representatives or other experts will be available to lend their knowledge and experience in helping the WSCA Member buyers become proficient in utilizing Grainger.com. Grainger's local Sales Representatives are also available for on-site training and in particular, if there is an opportunity for large classroom training, Grainger will work with the WSCA Member to provide scheduled training sessions.

3. Product Training

Product training will be offered on an as needed basis at no charge to WSCA Members. Grainger provides product training from knowledgeable field personnel and manufacturers' field representatives. In Grainger's key supplier programs, manufacturers' dedicated field resources work solely with Grainger's field representatives and our customers. Grainger will work with WSCA Members to identify products and product categories for which they would like additional training. Grainger will then work with our General Catalog manufacturers and suppliers to develop training programs as required to meet WSCA members' needs.

Grainger's product training offering includes, but is not limited to:

Regional Program Managers (Sustainability & Safety)

Grainger's team of Regional Sustainability and Safety Program Managers can bring category expertise, cost savings proposals, and program standardization strategies to WSCA Members. The Grainger-assigned Regional Program Manager will direct Supplier Representatives and/or local Grainger Sales Representatives to WSCA Member facilities for selection of appropriate product use and subsequent training. Use of the Regional Program Manager team helps maximize supplier engagement to drive proper product mix and contract compliance through use of on-site surveys, product use analysis and product standardization.

Janitorial Product Training (Sustainability)

Some of the benefits of product training include reducing product and labor costs, minimizing waste and maximizing cost savings. Grainger's sales professionals team up with our key supplier product experts such as GOJO, Ramsey, 3M and Georgia Pacific to perform materials' analysis and recommend solutions that deliver efficiencies and cost savings or achieve sustainability objectives for WSCA Members. For example, Grainger's General Catalog manufacturers and suppliers can provide tools such as videos and

Section 3 Scope of Work



training posters to aid WSCA Members meet their safety, sustainability or cost savings goals, among others. Some examples of programs that Grainger provides include:

Ramsey by JohnsonDiversey: Ramsey field managers provide technical support and employee training to help WSCA Members achieve optimal performance in cleaning their facilities while reducing their costs.

Georgia-Pacific: Georgia-Pacific's "Green By Design" program can help WSCA Members achieve their sustainability goals. Their Impact Calculator runs a cost savings analysis and provides recommendations on reducing, reusing and recycling.

3M: Sales Specialists trained in 3M products and supporting services are available for in-service education, product evaluations/testing, troubleshooting, and technical support, all of which can help WSCA Members reduce labor costs, improve productivity and achieve sustainability goals.

GOJO: GOJO Green Hygiene™ Solutions can help support a WSCA Member achieve a healthy facility with hand hygiene strategies, products, educational tools such as an implementation program designed to make it easier to create a healthy environment.

Rubbermaid: Commercial Products & Technical Concepts specializes in Rubbermaid's experienced representatives are well-versed in performing on-site facility assessments to provide high efficiency cleaning, waste management, material handling and innovative hygiene solutions.

Safety Product Training - As the largest safety products distributor in North America, Grainger has the products and expertise for all of WSCA Members' Safety needs. Grainger is committed to safety education and awareness and is a proud member of:

- National Safety Council (NSC)
- Safety Equipment Distributors Association, Inc.
- Voluntary Protection Program Participants' Association

Grainger has resources, products and training programs available to assist WSCA Members at no cost.

Grainger will continue to work with WSCA Members to address individual Members' Safety needs. Grainger is available along with our suppliers to host training classes to address WSCA Members' most common work-related injuries. Grainger has the following Safety programs available to assist WSCA Members at no cost:

Arc Flash Awareness Seminar: Designed to bring awareness to the NFPA 70E Standard. Additional topics reviewed are methods of assessment, PPE equipment, proper electrical tools and labeling for the hazards. Suppliers: WH Salisbury, Square D, Brady and Grainger

Lockout/Tagout Seminar (LOTO): Designed to compliment your current LOTO program. The seminar discusses OSHA standards and compliance, provides handouts and proper use of LOTO devices. Supplier: Brady

Signs & Identification Systems: Survey tools which help identify the need for proper signage. Supplier: Brady

Hazardous/Flammable Liquid Handling & Storage: Audit to identify hazardous/flammable storage and proper use, handling and storage. Suppliers: Justrite STUDE, Eagle CLAWS

Hand Protection & Glove Analysis: An evaluation of the glove program to determine proper selection and use of the appropriate glove for the activity as well as identify ways to maximize cost savings. Suppliers: Ansell, Perfect Fit, Wells Lamont, North

Section 3 Scope of Work



Hearing Conservation: This training program is designed to assist WSCA Members in becoming compliant with the OSHA Standard 29CFR1910.95 and includes instruction on the importance of proper use of hearing protection devices. Suppliers: EAR, Howard Leight, 3M

Eyewash Station Analysis: This program includes an evaluation designed to assist WSCA Members with regulatory compliance of the proper operation and locations of eyewash stations. Supplier: Fendall

Fall Protection: Survey to determine fall hazards and provide solutions. Supplier: Miller

Respiratory Protection: Provides training and fit testing. Suppliers: 3M, MSA, Willson, North

Confined Space Analysis: Includes facility tour to determine potential confined space hazards. Suppliers: MSA, Biosystems, Miller

Ladder Training: Informational program to provide proper ladder usage as well as how to properly inspect ladders. Suppliers: Werner Ladder

Coating & Anti-Slip Solutions: An evaluation based on application, hazard concerns and safety color coded paint requirements. Supplier: Rust-O-Leum

Hoist & Chain Safety: Training program to provide instruction on safe hoist practices and the inspection of present hoist equipment. Supplier: CM Hoist

Power & Hand Tool Safety: Seminars designed to promote proper use and safety practices for hand and power tools as well as selecting the right tool for the job. Suppliers: DeWalt, Milwaukee, Stanley-Proto

Multi-meter Training: Programs designed to emphasize the use and application of multi-meters, inspection of the equipment and other safety procedures. Supplier: Fluke

Fuses & Power Distribution: Seminars tailored to specific customer requirements in the proper application of fuses in order to protect electrical equipment and power distribution systems. Supplier: Cooper-Bussman

Electric Safety: Training program using general electric safety principles coupled with the unique products designed for electrical applications. Supplier: Hubbell, Square D

Grinding Wheel Safety Training: Program designed to illustrate the use, care and protection of vitrified and organic grinding wheels. Supplier: Norton

Section 4
Project Specifications
Desirable

DESIRABLE SECTION - THIS SECTION SHALL HAVE POINTS AWARDED FOR EACH SECTION.

1000 points is the total amount of points allowed for this solicitation. The desirable section of this RFP shall represent 50% (500 points) of the total points awarded for this solicitation. 50% (500 points) of the total points awarded shall be for the pricing section of this solicitation, i.e. Attachments H and I.

4.1. RETURN POLICY

What is your standard return policy?

Grainger General Catalog Product - Grainger will accept returns for new, damaged, or merchandise with defects in workmanship or materials, for a period of one year from the original date of purchase. Credit will be issued in the same form of payment as the original transaction. Grainger reserves the right to limit or refuse acceptance of return of certain products.

Non-Grainger General Catalog (Sourced) Product - Grainger may procure product not available through the Grainger General Catalog or Grainger.com from other sources ("Sourced Product(s)"). Sourced Product is priced according to current market conditions on a per order basis, and is shipped F.O.B. origin. Customers shall pay for any expedited or special handling requirements. A returned goods authorization must be issued by Grainger prior to returning any Sourced Product. A restocking fee may apply for any returned Sourced Product.

4.2. DISTRIBUTION POINTS

It is desirable that a successful proposer has inside and outside sales staff and distribution facilities located in all Participating States or geographic area offered. Proposers must provide the locations of their distribution points and information regarding sales staff for each Participating States or geographic area offered.

Dedicated Government Sales Force

Account Relationship Managers (Inside Sales Representative)

Government Sales Representatives (Outside Sales Force)

Every existing WSCA member is aligned to an Account Relationship Manager (Inside sales) or a Grainger Government Sales Representative (outside sales). Government Sales Representatives, strategically aligned by region, will provide day-to-day support. These Sales Representatives bring decades of collective experience in sales and servicing large government and institutional customers. All Government Sales Representatives complete rigorous sales and management training. Specifically, Government Sales Representatives go through extensive and ongoing system, product, policy and sales/service training administered through Grainger's internal Learning Center. In addition, all Government sellers must complete mandatory Government ethics training as part of their employment with Grainger.

For easy access, all Government Sales Representatives have voice mail, e-mail and mobile phones. In addition, our local Branch Manager and branch staff is familiar with WSCA Members' accounts so that they may be of assistance.

Ensuring exceptional service to the government customer requires a "back-end" sales operations function that often goes unseen. Grainger's Sales Support organization is a team of government experts that help facilitate government contract compliance and requirements. This group provides process controls on the following key areas:

Section 4
Project Specifications - Desirable



- Pricing
- Contracts
- Bids and Quotes
- Rebate tracking

All of these processes ensure that both Grainger and our Government customers operate within all regulatory requirements. Grainger takes contract compliance seriously, ultimately helping our customers ensure that their constituents get fair value for the products that they buy.

Grainger's dedicated staff that will service WSCA Member states includes, but is not limited to:

- Inside Government Sales Representatives**
- Site Relationship Managers**
- Outside Government Sales Representatives**
- On-Site Service Managers**
- Branch Staff**
 - Branch Managers**
 - Customer Service Associates**
- Channel Business Managers**
- Government Program Managers (Sustainability and Safety)**
- Government Sales Managers**
- District Sales Managers (Government)**
- Directors (Government)**
- Regional Sales Vice Presidents (Government)**
- Contract Implementation Managers**
- Government Contract Lifecycle Managers**
- Government Marketing Managers**

In addition, Grainger has identified WSCA-dedicated Senior National Government Sales Manager, Doug D'Alessio, and National Program Manager, Amy Morantz, to develop and execute a comprehensive and robust implementation plan. Both individuals bring over a decade of experience working at all levels of government and have managed multi-million dollar contracts, including Grainger's WSCA contract over the last decade.

Grainger recognizes the unique requirements in serving the government segment. A key position that oversees the management of this contract is the Grainger Government Sales Manager (GSM). GSMs are responsible for all 50 States, including each of the 39 participating WSCA states under Grainger's current agreement. Working closely with state-aligned GSMs, Grainger's government sales force is dedicated to serving the Government customer.

In addition, Grainger's government sales force receives classroom training on emerging government issues such as sustainability, emergency preparedness, government procurement processes including cooperative contracts. Below are examples of courses included in Grainger's Government Sales Curriculum:

Section 4 Project Specifications - Desirable



- Government Code of Ethics Training
- Government Contract Compliance Training
- Government Budget Issues
- Customer Segment – U.S. Postal Service
- Customer Segment – Military
- Customer Segment – Local Government
- Customer Segment – Primary Education
- Customer Segment – Higher Education
- Customer Segment – Healthcare
- HVAC Contractor Sales

Locations and Distribution Points

Grainger Industrial Supply, a division of W.W. Grainger, Inc. serves businesses and institutions across the United States through a distribution network of more than 400 branches, located in all 50 states, and supported by 13 distribution centers with a 14th distribution center under construction in Patterson/San Francisco, California and a 15th opening in Minooka, Illinois.

Each of our 400+ branch locations carries on average \$1 million in inventory within 22,000 square feet and is managed by an average of 12 employees processing 110 transactions per day. Each branch can tailor its inventory to local customer preferences and actual product demand. Products are available for immediate pick-up, same day shipment, or delivery. Through this distribution network, Grainger carries approximately \$1 billion in available inventory, representing more than 1,300 General Catalog manufacturers and suppliers, and made available each day to over 1.8 million customers.

Please see **Exhibit 2, Grainger State Fact Sheets and Branch Listings**, for detailed information including locations of Grainger's branches and distribution centers, number of employees working at each location, tax revenues paid to each state and community outreach and **Exhibit 3** for a listing in Excel of Grainger Government Sales Leadership (tab one) and Government Sales Managers by state (tabs two and three).

Supply Chain Management

In order to provide superior service to the existing 60,000 participating WSCA Members, and over 1.8 million Grainger US customers, Grainger utilizes Supply Chain Management disciplines. As the leader in our industry, Grainger utilizes the latest and most innovative Supply Chain Management principles to increase customer service levels and reduce costs. Our network supply chain has established productivity improvement goals of 4%-5% over the prior year and we have designed specific methodologies to achieve these targets. This has resulted in a supply chain network that is able to provide next day delivery on 99.6% of all orders for over 350,000 catalog products, and servicing 1.8 million active customers in the continental United States. Additionally, Grainger has an order accuracy target of 400 defects per million (dpm). In 2010, Grainger has achieved 362 dpm, a 21% improvement over the prior year. To achieve this superior performance, Grainger has built a culture of continuous improvement, directly resulting in the implementation of process improvements that have reduced our cost to serve, while improving productivity. For example, continuous improvement has directly resulted in inbound and outbound cycle time reductions of 50% to pick, pack and ship over the past 24 months. As cycle time improves we have seen a direct correlation in improved customer satisfaction.

Constantly striving to improve product availability and distribution capabilities, Grainger is investing in the future of our supply chain by constructing state of the art distribution centers in both Northern California and Chicago, Illinois. Additionally, branches are becoming increasingly sophisticated in how we manage inventory at the local level to meet local customer demand. Branch forecasting models are being used to

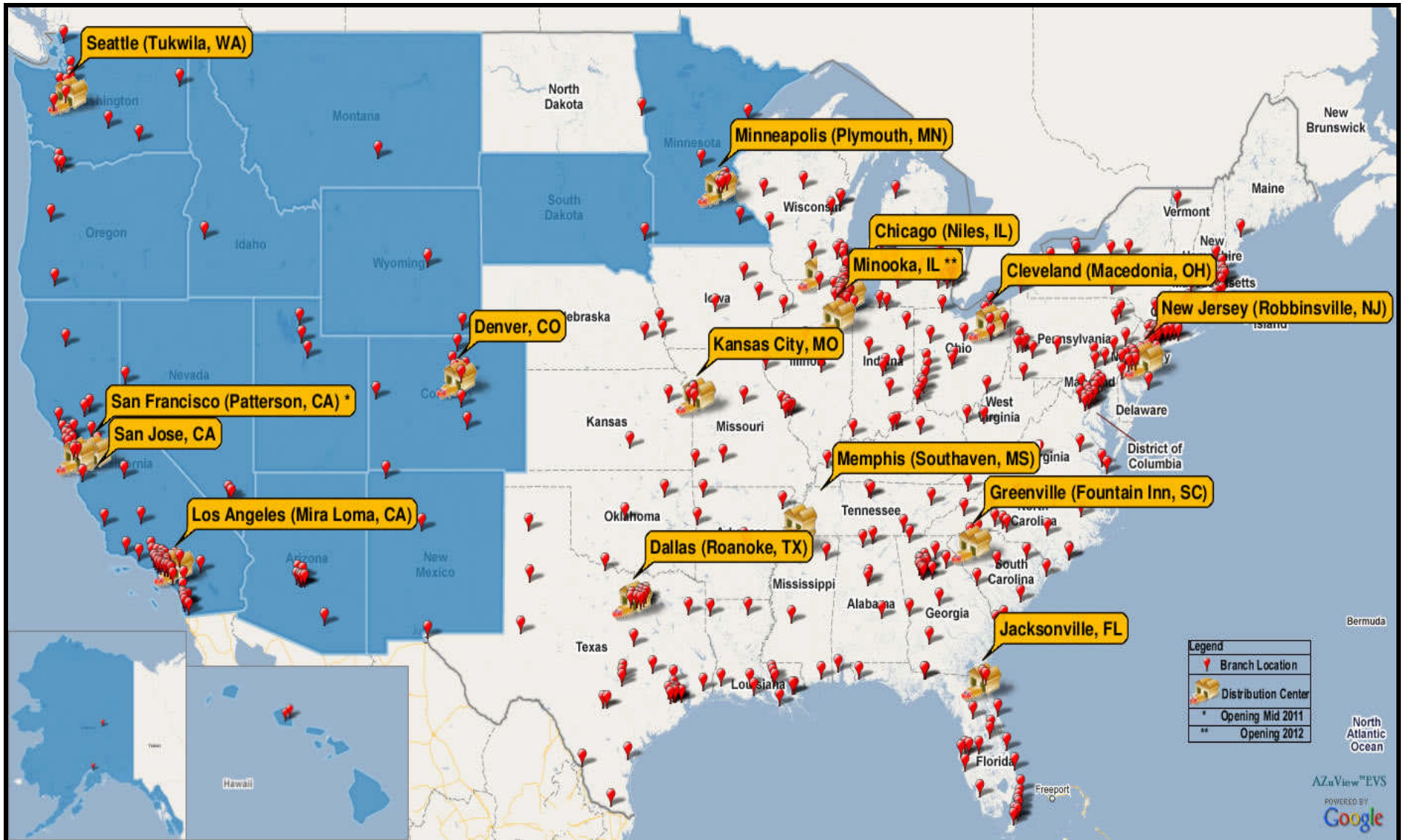
Section 4
Project Specifications - Desirable



implement necessary inventory levels while increasing inventory turns. Within our branches, we are continuously examining the specific needs of local markets and modifying the inventory to support customer needs. This methodology starts with a focus on customer service levels and once satisfied, Grainger strives to reduce costs and increase efficiency.

Grainger's Product Management team leverages our purchasing power to negotiate product costs with our extensive supplier base. Through our global sourcing function, Grainger directly sources over 30,000 items overseas to expand our product offering at the lowest cost to our customers.

The following map illustrates the breadth of Grainger's United States reach showing each of Grainger's nine existing distribution centers, a 10th distribution center scheduled to open near San Francisco in mid-2011 and 400+ branch locations.



Section 4
Project Specifications - Desirable



Please see **Part III – Confidential Proposal, Exhibit 9 - Grainger’s U.S. Network Map**, for more detailed Grainger network map

4.3. CONTRACT MANAGEMENT

Describe the Proposer’s strategy for contract management and sales support including roles and responsibilities as they relate to each participating state for each of the proposed account teams that will handle contract management issues.

Commitments from Grainger’s Top Leadership

Both Jim Ryan, CEO, President and Chairman of the Board, and Mike Pulick, Senior Vice President and President, Grainger United States are fully committed to the servicing and execution of the WSCA agreement. This commitment is fully aligned to the rest of Grainger’s US leadership team and is reflected in Grainger’s key leaders’ goals and objectives. Rest assured, Grainger will continue to work with the State of Nevada and WSCA Members to understand the people, steps, and policies for purchasing facilities maintenance products and help identify opportunities to streamline the processes and reduce complexity to deliver further process cost reduction opportunities.

4.3.1. It is desired that proposers have a representative(s) that has the sole responsibility of management of this WSCA contract. Provide a list the name(s) and title(s) of the dedicated WSCA representative(s) per region or State.

Dedicated Senior Government Sales Manager

Grainger has designated Doug D’Alessio as the dedicated Senior Government Sales Manager for WSCA. Doug will be available to participating WSCA Members, at a minimum, Monday through Friday. His responsibilities include, but are not limited to, ensuring high quality of service, interfacing as an issues escalation catalyst, resolving problems, and proactively addressing cost savings and optimization opportunities across the WSCA Members.

In addition, Doug will continue to:

- Manage the WSCA Contract for Grainger Industrial Supply.
- Provide cost saving products, programs, services and solutions that assist the WSCA Members in meeting key initiatives.
- Conduct Quarterly Business Reviews with WSCA Members, providing an overview of procurement with Grainger and cost savings.
- Establish, promote and monitor programs that enable Grainger’s local Sales Representatives to provide opportunities to meet WSCA Members’ needs and key initiatives.
- Identify/analyze issues and opportunities that may arise over the course of an awarded contract.

Doug will continue to actively participate in regularly scheduled quarterly business review meetings to evaluate past performance and address recurring issues. Should recurring issues arise, Doug will work with WSCA Members to determine a plan of action to ensure that the level of service improves.

Section 4
Project Specifications - Desirable



Dedicated National Program Manager, Cooperative Contracts – Amy Morantz

Amy Morantz, National Program Manager, Cooperative Contracts, has been with Grainger for five years, spending the past two years dedicated to State Government, Local Government and Higher Education customers. Amy has been responsible for the building and roll out of the National Sustainability, American Recovery and Reinvestment Act and Government Budget Implementations, as well as 18 State Government Contracts. Her Grainger roles have also included:

- National Program Manager, National Cooperatives - May 2010
- Government Implementation Program Manager - June 2008
- Senior Sales Assistant - May 2005

Customer Life Cycle and Compliance Manager - Mike Dietz

Support for all customer contracts and performance functions reside in one process and one inside owner, the Customer Life-cycle Manager (CLM). The CLM provides coordination on a wide variety of functions handled inside as well as outside the Sales Support organization:

- Proposal creation support
- Contract creation coordination
- Legal review/input
- Pricing Coordination
- eCommerce
- Product Management and/or vendors for cost support
- Customer reporting support
- Incentive Coordination
- Contract compliance
- On-Site Services
- Implementation

Please see **Exhibit 3** for a listing in Excel of Grainger Government Sales Leadership (tab one) and Government Sales Managers by state (tabs two and three).

4.3.2. Does your contract management include customer training? Please provide a detailed narrative including, at a minimum, the following:

- Energy efficient lighting;
- New products;
- Equipment and operation- Manufacturer/certified set up and training;
- Seminars; and
- Other such as green products.

Technical and product support and training will be offered on an as needed basis at no charge to WSCA Members. Grainger provides direct technical support from knowledgeable field personnel and manufacturers' field representatives. In Grainger's key supplier programs, manufacturers' dedicated field resources work solely with Grainger's field representatives. Grainger also has an in-house Technical Product Support Department that is the source for answers to product related questions. WSCA

Section 4 Project Specifications - Desirable



Members will have easy access to this service during Grainger's standard business hours by contacting their local Grainger branch and letting the Customer Service Associate know they require technical support.

In addition, Grainger offers WSCA Members training at no charge, including but not limited to:

➤ **Energy efficient lighting**

- **GE Electrical Energy Audit** - A team of experienced professionals will provide, upon request, as part of service under this contract, a thorough and comprehensive energy audit that will assist WSCA, Participating States and Purchasing Entities to achieve environmental and sustainability goals and initiatives. The team should be able to recommend and implement lighting solutions to include lamp conversions, retrofits, and controls, along with motor retrofits that reduce kilowatt consumption without sacrificing performance of the system and maintaining IES and OSHA standards. The team should provide a documented outline of current system and recommended system to include expected cost savings, return on investment, and impact on the environment. Cost savings should address the recommended lighting system including product/materials, labor to perform the installation, on-going maintenance during the life of the system, disposal cost, and environmental impact.
- **Electrical Product Cost Reduction / Process Improvement** - In addition to methods such as standardization and/or substitution of product, eCommerce initiatives and vendor consolidation strategies, which can be engaged across multiple commodities, Grainger offers specific ideas based solely on usage of electrical products. Grainger also offers tips on standard electrical processes, designed to save time and money by reducing errors and time spent on repairs. From controls and circuit protection to wiring devices and connectors, Grainger offers you everything you need to get - and stay - connected.

➤ **New Products Training**

Grainger introduces new products periodically which may be found at:

[Grainger.com New Products](#)

Training for these products is available through Grainger's local Sales Representatives, local branch personnel and / or General Catalog manufacturers and suppliers.

➤ **Equipment and operation- Manufacturer/certified set up and training**

Grainger will refer WSCA, Participating States and Purchasing Entities to its manufacturers, suppliers and third party installers, where necessary, for equipment and operation manufacturer-certified set up and training, post-installation services and maintenance.

➤ **Grainger.com Training**

In addition to online and hard copy Grainger.com and Punch-Out site training guides, local Sales Representatives are capable of training WSCA, Participating States, and Purchasing Entities. If there is an opportunity for large classroom training, Grainger will provide appointment-based training.

➤ **Green Products Training**

- **No Odor, Zero VOC, Zero HAP Industrial Coatings:** Rust-Oleum Corporation can assist with a facility coatings analysis to help identify areas where no-odor, water-based

industrial coatings can be used. Coatings meet the Green Seal (TM) GS-11 environmental standard and dry in 30 minutes for continued productivity.

- **Facility Maintenance VOC Coatings Analysis:** Rust-Oleum Corporation provides information about lower Volatile Organic Compound (VOC) industrial coating options that can be used in and around (**insert customer name**) facilities. This analysis helps determine compliance levels and provides options to lower VOC emissions.
- **Occupancy Sensor Layout and ROI Support:** Hubbell representatives are available to meet and discuss any project, large or small. We can provide an occupancy sensor layout based on blueprints, either in electronic or paper form and a bill of material (BOM). Hubbell has also developed a tool, the H-MOSS® ROI (return on investment). This simple-to-use worksheet helps calculate present annual energy costs without sensors and estimated annual costs with sensors.
- **Green Restroom/Locker Room Design:** Bradley can assist with the design and specification of sustainable restroom and locker room packages. Solutions focus on water conservation and recycled content products that can help facilities earn LEED Water Efficiency and Material Resources credits.

➤ **Safety Products Training**

Grainger, through our relationships with General Catalog industry leading manufacturers and suppliers, offers a variety of product safety training to WSCA Members at no charge. While most of these training seminars are conducted at WSCA Member locations, other options are available. These programs include, but are not limited to:

- Lockout/Tagout
- Arc Flash
- VOC Compliance
- Hand and Power Tools
- MSDS

Please see **Exhibit 4** for a detailed listing of Grainger's available safety seminars and training (**Occupational Health and Safety Value-Added Education**).

➤ **General Catalog Products Training**

Grainger will work with WSCA Members to identify products and product categories for which they would like additional training. Grainger will work with our Regional Program Managers (Safety and Sustainability) and General Catalog manufacturers and suppliers to develop training programs as required to meet WSCA Members' needs. Some examples of programs that Grainger currently offers include:

DeWalt Power Tools - Customer safety presentation and tape. Hands on demonstration of safe operating practices for power tools. Joint presentation by Grainger Sales Representative and DeWalt representative, generally performed at customer location.

GE Lighting Site analysis of requirements - Detailed evaluation of current usage and types of lamps used. Recommendations based upon most energy efficient and cost

effective available products. Performed jointly by Grainger Sales Representative and GE Sales Representative and performed at customer location.

Proto Tools Hand tool safety seminar and film - Demonstration of correct method of tool usage. Joint sales presentation by Proto and Grainger representatives. Certificate issued upon completion of class. Generally conducted at customer site locations.

In-plant Safety Sign and Pipe Marking Survey - This survey consists of taking a plant tour during which the Brady representative notes any areas where additional signage or pipe markers are needed. There is a short meeting after the tour to discuss the findings and to show possible solutions. Performed jointly by Grainger Sales Representative and Brady Representative at the customer location.

4.4. DELIVERY

Delivery time for in-stock items should not exceed 24-48 hours for all points within in the Participating States. Non-stocked items must be delivered within 10 working days. The Participating States reserve the right to impose restrictions. Explain in detail your delivery policy.

4.4.1. Specify Guaranteed Delivery Time for In-Stock Items.

Grainger will guarantee delivery for In-Stock items within 24-48 hours from the time an acceptable order is received (subject to events outside the control of Grainger)

4.4.2. Specify Guaranteed Delivery Time for Non-Stock Items.

Grainger will guarantee delivery for Non-Stock items within 3-10 days from the time an acceptable order is received (subject to events outside the control of Grainger)

4.4.3. MSDS must accompany all orders at the time of delivery (where applicable).

Grainger will accompany all orders with MSDS where applicable. A Material Safety Data Sheet (MSDS) is required to be produced by manufacturers and importers of chemical products for each hazardous chemical they produce or import. Employers in the United States are also required to have a MSDS in the workplace for each chemical that they use. Grainger supplies Material Safety Data Sheets (MSDS) for all shipped products requiring an MSDS. An MSDS is also available upon request for will-call/counter orders or online at Grainger.com.

WSCA Members will be contacted via telephone or via Grainger.com regarding orders which contain product for which an MSDS is available but optional. The Member will have the choice of including the optional MSDS with the shipment.

The Participating States expect high delivery standards from all contractors. Penalties may be imposed on contractors that have continual late deliveries. These penalties may include but are not limited to cancellation of orders, request for discounted pricing, non-use of an offending contractor or cancellation of the contractor's participating addendum(s).

4.5. 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:

- Authorized Purchaser;
- 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.

Packing Labels and Packing Slips

Grainger can meet and exceed these requirements. For example, Grainger is capable of providing the following customizable information on packing labels and packing slips:

Sold to Account	Branch Address
Purchase Order Number	Special Instructions
Order Date & Time	Carrier Name
Caller Item Number	# of Boxes
Department Number	Freight Terms
Employee	Check Number
Telephone Number	Check Amount
Requisitioner	Cash Rec'd/Paid
Page No.	Item Description
Ship To	Ship Quantity
Project/Job Number	Backorder Message
DBT/CRD Code	Tax
Attention	Unit Price
PO Release Number	Subtotal
Sales Order Number	Shipping Amount
Delivery Number	Total

Grainger's scale also enables transportation related advantages for our customers. In many large markets, Grainger is able to use its daily shipment volume to provide customers with dedicated delivery

**Section 4
Project Specifications - Desirable**



services. In 12 of the largest metro markets, Grainger is even able to provide same day delivery as a standard service for orders placed by between 10 and 11 am. As Grainger's scale grows, these capabilities also grow.

Grainger also leverages its scale by consolidating spend with a limited number of core carrier partners. Our network of 13 distribution centers enables Grainger to target regional LTL (Less than Truckload) carriers for our contracts, and our relative size within the regions ensures that Grainger is one of the carrier's largest shipping partners. The freight spend consolidation and regional focus ensures that we maximize the utilization of the truck space purchased as well as minimize fuel used to move our deliveries. The EPA has also recognized this efficiency by awarding Grainger the SmartWay Shipper designation, the only Industrial MRO Distributor to earn this award.

By consolidating our shipping volume and leveraging that volume to ensure competitive freight rates, Grainger is able to provide customers with premium delivery speed and service at rates below what other, smaller MRO providers can offer.

4.6. IMPLEMENTATION

Implementation of this contract is vital to the Participating States. Describe in detail your implementation program including an estimated time line to include at minimum the following points.

The success of the WSCA MRO contract has been directly attributed to Grainger's focused and dedicated contract implementation process. The results speak for themselves; Grainger has grown the WSCA contract sales from \$28 million in 2002 to \$396 million in 2009. But as successful as Grainger has been for the past nine years, we also recognize that a new contract award requires special focus on both existing and new Participating States and a disciplined approach to implementation. Continuing to drive contract awareness upon award will fuel additional organic growth.

4.6.1. Describe in detail the Proposer's implementation plan, including all process steps.

Upon award, Grainger will take the following steps:

WSCA Implementation Plan and Timeline

PHASE 1 (Day 1 – Day 90)

GOAL

To make implementation of the new WSCA contract seamless to WSCA Members.

Day 1

WSCA Facilities Maintenance Equipment Implementation National Kickoff:

- National conference call announcing award to Grainger's Government Sales Force outlining final details of the contract
- National conference call announcing award to Grainger Executives and outlining final details of contract
- Activate the WSCA virtual online Community and provide access to current WSCA Members (See section 3.4)
- E-mail notifications to current WSCA Members notifying them of the new award
- Commence Participating Addendum process to ensure current WSCA Members have access to the new contract

**Section 4
Project Specifications - Desirable**



- Communicate new contract terms to Grainger’s sales force and branch staff
 - Review Pricing and Programs available under the new contract
- Communication targeting potential WSCA Members

Grainger Field Seller Call to Action – First 90 Days

State Agencies	Political Subdivisions
<p>Step 1- First 30 Days</p> <p>Position the NEW WSCA – Grainger Contract with all current participating States and State Agencies</p> <ul style="list-style-type: none"> ➤ WSCA – Grainger Value Proposition ➤ WSCA – Grainger Contract introduction ➤ Understand overall State procurement goals and initiatives 	<p>Step 1 – First 30 Days</p> <p>Affiliate relevant, key locations to WSCA–Grainger Contract by communicating benefits</p> <ul style="list-style-type: none"> ➤ Target relevant, key locations ➤ WSCA – Grainger Contract Introduction ➤ Affiliation Process
<p>Step 2 – Days 30-60</p> <p>Jointly develop customer – Grainger strategy and proposal based on customer needs</p> <ul style="list-style-type: none"> ➤ Develop agency 2011 strategy based on customer initiatives ➤ Engage resources for implementation of programs 	<p>Step 2 – Days 30-60</p> <p>Jointly develop customer – Grainger strategy and proposal based on customer needs</p> <ul style="list-style-type: none"> ➤ Develop agency 2011 strategy based on customer initiatives ➤ Engage resources for implementation of programs
<p>Step 3 – Days 60-90</p> <p>Implement agreed upon strategy and continue to leverage the strengths of the WSCA – Grainger contract and organizations</p> <ul style="list-style-type: none"> ➤ Implement Agency 2011 programs ➤ Engage all resources needed to execute upon strategy ➤ Continue to drive and grow revenue 	<p>Step 3 – Days 60-90</p> <p>Implement agreed upon strategy and continue to leverage the strengths of the WSCA – Grainger contract and organizations</p> <ul style="list-style-type: none"> ➤ Implement Agency 2011 programs ➤ Engage all resources needed to execute upon strategy ➤ Continue to drive and grow revenue

**PHASE 2
GOAL**

To target and make implementation of the new WSCA contract seamless to new WSCA Members

Field Seller Call to Action

State Agencies	Political Subdivisions
<p>Step 1</p> <p>Engage with individual departments and buyers to understand their needs and current procurement vehicles.</p>	<p>Step 1</p> <p>Engage with county and municipal procurement officials to understand their needs and current procurement vehicles.</p>
<p>Step 2</p> <p>Jointly develop customer – Grainger strategy and proposal based on customer needs and benefits of WSCA contract.</p>	<p>Step 2</p> <p>Jointly develop customer – Grainger strategy and proposal based on customer needs and benefits of WSCA contract and complete online affiliation process.</p>

<p>Step 3 Implement agreed upon strategy and continue to leverage the strengths of the WSCA – Grainger contract and organizations.</p>	<p>Step 3 Implement agreed upon strategy and continue to leverage the strengths of the WSCA – Grainger contract and organizations.</p>
<p>PHASE 3</p> <p>GOAL</p> <p>Create ongoing contract activities and programs in order to continuously leverage the WSCA – Grainger value</p> <p>Field Seller Call to Action</p> <p>State Agencies / Political Subdivisions</p>	
<p>Call 1 ➤ Re-prioritize customer initiatives in order to gain an understanding of which activity/program to propose.</p>	
<p>Call 2 ➤ Present relevant programs and activities to members and determine best fit.</p>	
<p>Call 3 ➤ Implement mutually agreed upon program.</p>	
<p>ONGOING</p> <p>GOAL</p> <p>Throughout all phases and ongoing, the entire Grainger team will continue to leverage the value of the contract in order to retain and grow satisfaction of contract participants</p>	
<p>Contract Implementation Manager and Government Sales Manager will jointly:</p> <ul style="list-style-type: none"> ➤ Assess customer satisfaction ➤ Address issues and resolve concerns ➤ Assess continuous improvement opportunities to ensure contract compliance <p>**** Product-specific training will be mutually determined through the post-award implementation process. The existing product ordering process will remain in place to purchase product from Grainger. In the event WSCA, Participating States, and Purchasing Entities require training on the use of the various ordering channels, Grainger will provide such training upon request. See <i>section 3.11</i></p>	

Implementation Team

Doug D'Alessio, Project Leader, 13 years government customer experience, 11 years as a Government Sales Manager, 6 serving as the WSCA Program Manager.

Amy Morantz, National Program Manager, over 2 years experience developing, driving and implementing key programs.

Mike Dietz, Customer Lifecycle Manager, over 8 years experience driving government contract compliance.

Sean Foran, Consulting Manager, over 4 years of experience with customer cost savings solutions and eCommerce implementations.

Benjamin Kiefer, Financial Supervisor, over 7 years managing financial services and is aligned to Grainger's Government organization.

Richard Moore, Implementation Project Manager, 2 years experience implementing major contracts and programs.

Debbie Lazorishak, Implementation Project Manager, 5 ½ years experience implementing major contracts and programs.

Bill Neal, Implementation Project Manager, 8 years experience implementing major contracts and programs.

- 4.6.2. Detail the specific information, resources, and assistance the proposer will require from each Participating State to implement the contract.

For new customers and interested Members, the minimum requirements are the following: (i) point of contact; (ii) any additional terms and conditions for negotiation; (iii) sign Participating Addendum. In order to successfully implement and drive the WSCA-Grainger Contract in each State, the State Contract Administrator should be involved both at the State level, as well as agency level, to drive compliance and facilitate key relationships.

- 4.6.3. Describe how soon from execution of the Participating Addendum the online ordering system will be available to each Participating State. If a phased implementation is planned in terms of limited functionality vs. complete functionality, please specify.

Grainger.com, Grainger's online ordering system, is currently available to all WSCA Members. Additionally, Grainger has a customer care team that can help with registering new users and setting up workflow on behalf of new WSCA Members. Online ordering system will be available 24 hours after Notice of Award. The Web site will be fully functional as it is today.

Grainger has been following with interest the eCommerce initiative the State of Colorado is leading on behalf of WSCA. We support WSCA in this endeavor to seek out and adopt the latest eCommerce technology and tools in order to enhance efficiencies in the cooperative purchasing process. As outlined in this proposal, Grainger's broad range of eCommerce and Web capabilities well position us to align with WSCA objectives and to integrate seamlessly into any solution WSCA may select in this effort. We look forward to monitoring future activities surrounding this initiative and are available to provide assistance as requested or required. In an effort to support these initiatives, Grainger has developed an online WSCA community.

The Online WSCA Community

Existing WSCA Members will have access on day one to the virtual WSCA Member Community which provides access to contract documents, including Market Basket product lists, along with the following enhanced functionality:

1. Ability to effectively communicate WSCA-Grainger contract information to WSCA Members upon login to the Grainger.com virtual WSCA Community
2. Ability to effectively communicate WSCA-Grainger contract information to WSCA Members upon product search
3. Ability to drive compliance to WSCA Market Basket products
4. Ability to create mutually agreed upon banners based on search input
5. Ability to personalize Members' accounts with WSCA Member-specific data fields
6. Ability to create a WSCA eNewsletter tailored to WSCA Community Members (limited to WSCA Members that allow e-Mail Marketing Campaigns). This eNewsletter is and will continue to be a joint effort between WSCA Members and Grainger to ensure the right content and schedule.

Upon logging into the Grainger.com community, WSCA Members enter a WSCA-branded environment where they will have access to contract specific information and benefits. WSCA Members will view contract specific pricing and with one click, Members will easily access contract documents as well as view Market Basket items.

WSCA Members Online Ordering Systems

Because of the diverse needs and initiatives of WSCA Membership, Grainger offers connectivity of our online ordering system to WSCA Members' eCommerce systems. Upon request, this functionality will be put into place over a time period of 6-10 weeks. See sample process steps below. These steps will be executed upon Member request and engagement of the Grainger eCommerce Team. A "kick off call" will be held to gather all specs and needs, and all resources will be deployed.

Sample Process Steps

- Create and distribute project plan after kick-off call
- Implement supported Punch-Out protocols
 - Complete and ready for testing within ten business days of project start
- Completion of Punch-Out set up and testing
 - 25 days, including testing
- PO mapping
 - 15 days until ready for testing (will run concurrently with Punch-Out setup)
- PO Acknowledgment mapping (if applicable) will run concurrently with Punch-Out & PO setup
 - 15 days until ready for testing
- Invoice Mapping
 - 20 days until ready for testing, once Purchase Order testing is complete to satisfaction
- Lead Weekly drumbeat meetings
- Set Go-Live Date for Mutually Agreed Upon Projects

4.6.4. Describe in detail the Proposer's experience when implementing customer relationships of equivalent size and complexity.

Grainger has a strong history of providing products and solutions to more than 1.8 million customers since 1927, including vast and deep experience in dealing with large, complex organizations. Customers can count on us to have the products where and when they are needed. This is accomplished via a strong distribution network consisting of 410 branches located in all 50 states and supported by 13 distribution centers with a 14th distribution center under construction in Patterson/San Francisco, California and a 15th opening in Minooka, Illinois. This distribution network represents more than \$1 billion in available inventory from more than 1,300 General Catalog manufacturers and suppliers. Our customers get what they need when they need it.

In addition to our 2,500+ local Sales Representatives, Grainger maintains a staff dedicated to Government Accounts, inclusive of cities, counties and education customers. These Government Sales Directors, District Sales Managers, local Sales Representatives, Account Relationship Managers, and branch support staff are strategically located across the United States. By utilizing our national Sales Team, Grainger has the ability and capability to make face to face contact with all Participating Public Agencies.

WSCA 2005 Implementation

Grainger's unparalleled history of winning and implementing key contracts nationally with Government and Private Industry contracts is unmatched in the facilities maintenance industry. Due to Grainger's experience with WSCA and the Participating States, we know that getting states to participate with the master agreement is the key to a successful launch of this potential agreement. Grainger's relationship with key states is a distinct advantage for a successful implementation. Grainger will describe our experience with implementing our 2005 WSCA 7066 contract award.

In November of 2005, Grainger was notified of the Industrial Supplies contract WSCA 7066 award. Grainger was pleased to be selected by WSCA for the 2nd straight time. As the incumbent, transitioning the former contract WSCA 6416, Grainger had approximately 19 states utilizing the contract and was valued at nearly \$166 million.

Upon the new award in 2005 (WSCA 7066), Grainger immediately, next day, started executing against our implementation plan outline in our proposal to the WSCA organization. Within two weeks of award, Grainger had signed Participation Addendums with the original 19 Participating States, and within two months had signed agreements with a total of 24 states.

Grainger understands the key to growing the WSCA contract is getting states to participate. Once that is complete, notifying state agencies and local government immediately upon executing a Participating Addendum will gain momentum and adoption of the agreement. Today, as we horizon our current contract, we have grown the use of our contract to 39 states; the contract is valued at \$396 million. This contract is widely used by our customers in both local government and educational institutions. Upon award, Grainger will execute flawlessly against our proven unmatched implementation process.

4.6.5. Describe any customization abilities for different States or political subdivisions within a Participating State.

Grainger's vast account management alignment allows flexibility to customize implementation for different states and political subdivisions within Participating States. Grainger has developed a WSCA-Specific National Contract Implementation Strategy. Upon signing a WSCA State Participating Addendum, Grainger Government Sales Managers will immediately engage all resources needed to execute against this strategy and tailor the strategy to fit the individual needs of the state.

Section 4 Project Specifications - Desirable



Immediately upon award, Grainger will deploy our team of Contract Implementation Specialists to assist in facilitating the new Contract. Grainger has identified the individuals to focus on ensuring an effective level of knowledge and understanding of the potential awarded WSCA Contract. These individuals will be trained on the contract details, benefits and key initiatives of the WSCA Membership.

Grainger's Contract Implementation team, lead through direction of the National Program Manager, Amy Morantz, in conjunction with Senior National Government Sales Manager, Doug D'Alessio, and Grainger State Government Sales Managers, will develop and execute a comprehensive and robust implementation plan that meets the mutual goals and initiatives of WSCA and/or the particular WSCA State.

Resources will be engaged to aid in execution of contract components, state and site specific programs and engagements. Resources will be pulled from the following departments but not limited to:

- Consulting
- Small Business / Supplier Diversity Program
- Sustainability
- Inventory Solutions
- Safety
- Janitorial
- eCommerce

Our team of Contract Implementation Managers will manage these processes in conjunction with the state-aligned Government Sales Manager in order to collaboratively meet WSCA Member's goals and objectives.

4.7. REPORTING CAPABILITIES

The proposer shall provide the State of Nevada Purchasing Division information on all reports that are available without charge, to include a brief description of the report and the frequency. The State of Nevada and Participating States will decide which reports are required and notify the successful proposer(s). If there are other reports available at additional pricing, information on these reports is also required. Please note the reporting requirement in the WSCA terms and conditions.

In addition to the reporting capabilities requested above please thoroughly explain your company auditing policy to ensure that pricing and services are in compliance with the contract. Explain your policy for revenue recovery in the event that any auditing reveals incorrect pricing.

Grainger has the ability to offer various detailed management reports which may be compiled at different levels of WSCA Member state's organizational structure. Currently, Grainger provides WSCA with reports that detail state and political subdivision activity. Typically, Grainger will provide standardized reporting on a quarterly, semi-annual or annual basis depending on the Member's desires. Grainger does not charge WSCA Members for increased frequency of reporting; **all reports are available to WSCA Members free of charge.**

Section 4 Project Specifications - Desirable



Grainger's integrated SAP software platform is engineered for reporting, transactional, planning, logistical and operational needs of the facilities maintenance marketplace and especially to meet our customers' reporting requirements. Grainger reports may include the following information: WSCA Member name, purchase order date, purchase order number, purchasing entity name, purchasing entity address, Grainger product category, brand/manufacturer name, brand/manufacturer part number, Grainger material number, item description, quantity purchased, Grainger price at time of purchase, calculated Grainger catalog discount percentage at time of purchase, extended purchase price and method of purchase. Please see **Part III – Confidential Proposal, Exhibit 5** and **Exhibit 6** for sample reports.

In addition to reporting capabilities above, Grainger offers and currently provides a wide range of enhanced reports can be defined and provided for individual Purchasing Entities. We partner with WSCA Members in comprehensive business reviews which provide business trends analyses and procurement tendencies that allow the Members to track and interpret process improvement, procurement efficiencies and cost reduction possibilities. In addition, we currently provide Green product purchase reports and Supplier Diversity and Small Business spend that assist Members in measuring against their socio-economic goals. Other examples of Grainger's available reports include:

- Cost Savings Report
- eCommerce Utilization Report
- Inventory Management Reporting
- Green Product Purchase Report
- Private Brand Purchase Report
- Supplier Diversity Spend Report
- Procurement Tendency Report
 - Enables Members to gain a better understanding of critical items which may require on-site stocking versus spot buy items which may be purchased on a just-in-time basis.
 - Item purchase frequency overview—unique Grainger items purchased in a specific time frame
 - Total item overview—total Grainger items purchased between calendar years
 - Order size overview—number of orders placed between defined dollar increments (i.e. \$1-\$50, \$50-\$100, etc.)
 - Order Channel utilization—eCommerce, phone, fax, branch
 - Delivery Channel—orders shipped, counter orders, will-call orders
 - Commodity Overview
 - Top Manufacturers
 - Order Frequency Report

In addition, Grainger will engage WSCA Members in comprehensive reviews which may provide the following data: average price paid v. Grainger each price, performance by site, product line distribution, description of transaction types and business trend analysis all of which allow the Member to track and interpret process improvement and cost reduction possibilities.

Grainger also can provide a satisfaction survey to measure Member's satisfaction on overall performance. This information allows Grainger to determine long term strategy, monitor performance on the contract

Section 4 Project Specifications - Desirable



and generate new ideas to better serve our WSCA Members. Grainger's Customer Focused Quality Report Card demonstrates this satisfaction survey capability:

- a. Delivery method
- b. Order completeness
- c. Credit memos
- d. Service level
- e. Number of orders
- f. Number of lines
- g. Order type (ship, will call /counter)
- h. Total purchase dollars
- i. Average order dollars
- j. Average number of lines per order
- k. Split shipments

Auditing

New Contract Executed

Once a new agreement is executed with Grainger, all records are finalized within Grainger's contract management system and a contract "Start-up Notification" is sent to all parties involved with executing the new agreement.

Start-up Notification and Audit

The Start-up Notification provides the terms and conditions, pricing and freight terms of the contract and initiates the work to set up those requirements within in Grainger's SAP system. As current Grainger customers sign-up to utilize the contract, their account numbers are identified and moved over to the "Parent Track Code" which houses all of the terms and conditions within SAP. One week after the initial Start-up Notification work is complete, an audit of all customers under the Parent Track Code is completed to ensure the pricing and freight is being applied per the terms of the contract.

New Account Name Audit, New Account Track Code Audit, Purisma Audit

As new customers are identified and new accounts are created for Grainger, all of those accounts are reviewed to determine if the account is eligible to utilize this agreement. The association of an account to a customer, and the linkage throughout the system to the WSCA contract, is means by which Grainger achieves the fundamental audit objective of reasonable assurance that the WSCA Purchasing Entity is getting the contract price on orders. All accounts are also reviewed by address to ensure that a location that may have multiple account numbers receives the correct contractual pricing. These customer name and address audits are conducted on a monthly basis.

Incentive Audit

Customers who receive rebates and/or incentives as a part of their contract are identified through the Start-up Notification process. Those customers, specific incentive information, and payment terms are loaded into a database which provides notification to when payments are due. A team is dedicated to review the contract, ensure payments are processed per the terms of the agreement, and facilitate an approval process which ensures the calculations completed are accurate. Once approved, the payment to the customer is facilitated.

Continuous Monitoring

Additionally, Grainger has recently implemented a monitoring system that reviews all items purchased to ensure that the price paid does not exceed what has been agreed to per the terms of the contact. Should a transaction occur in which a customer was charged a higher price, that item and customer is pulled out on an exception report which is reviewed on a weekly basis. A team is dedicated to review the exceptions, determine why they occurred, correct the issue, and contact the customer's "Sales Representative" to facilitate a credit for that customer.

4.8. SUSTAINABILITY/ENVIRONMENTAL PRACTICES

Sustainability and sound environmental practices are important to many of the Participating States. Thoroughly describe your sustainability and environmental practices that you currently have in place. This description should include the following:

Commitment from the Top

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

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

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

- 4.8.1. Describe Proposer's environmental practices that are applicable to items that Proposer markets. Provide links to your published statements and policies.

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

LEED Certification

It is clear that LEED initiatives have found support and a following in both the public and private sectors. 45 states, 14 federal agencies or departments, and numerous counties and municipalities have embraced LEED initiatives (source: USGBC.org). Grainger has 12 LEED certified facilities, 10 of which are GOLD certified. On average, LEED facilities reduce energy consumption by 24-50%, water use by 40%, solid waste by as much as 70% and carbon emissions by as much as 39%.

SmartWaySM Transport Partner

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

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

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

Additional Initiatives

- **100% of Grainger's #401 (2010) catalogs were printed on paper certified by the Forest Stewardship Council (FSC).** By using FSC certified paper, Grainger supports environmentally appropriate forest management and ensures that the harvest of timber and non-timber products maintains the forest's biodiversity, productivity, and ecological processes.
- **In 2009, Grainger Distribution Centers recycled 1,892 tons of cardboard/paper, up 35% from the previous year.** These efforts are equivalent to 6,600 cubic yards of landfill airspace...enough to support the waste disposal need of 8,000 people for one year.
- In 2009, as a result of work done through our new service partner, **Alliance Energy Solutions**, (A Grainger Industrial Supply Brand) businesses saved an estimated **127 million kWh/year**, equivalent to electric bill savings of \$9.9 million.
- **The ENERGY STAR products that Grainger sold in 2009 will save 110 million kWh of electricity a year, 2 million therms of natural gas a year and 1,700 gallons of heating oil annually.** That means that 201 million pounds of CO₂ pollution will be avoided—that is equivalent to taking 17,000 cars off the road for a year. Grainger's customers will also save \$15.4 million annually on their utility bills.
- **In 2010, Grainger transitioned our monthly employee newsletter online.** This change saves approximately one million sheets of paper and diverts five tons of paper out of a landfill each year. The change is also equivalent to preserving 120 trees and pulling 3.6 mid-sized cars off the road annually.
- **Recent recognition by the USDOE as a Lighting Facts partner.** This recognition was awarded to companies who, in the words of the DOE, "have gone above and beyond to integrate Lighting Facts into their everyday business practices, demonstrating their ongoing commitment to the program and to product evaluation." For more information, please click on this link:
 - <http://www.lightingfacts.com/default.aspx?cp=content/recognition>
- In **October 2010**, Grainger was presented with the **Illinois Governor's Sustainability Award**. The Illinois Sustainable Technology Center (ISTC), in cooperation with the Office of the Governor, has honored organizations for their efforts in sustainability and pollution prevention since 1987. **Grainger was recognized for its' commitment to sustainability in our home State of Illinois.**

Section 4
Project Specifications - Desirable



- Grainger is committed to ensuring that green labeling meets current and developing **standards in the industry**. Grainger has commissioned **TerraChoice Environmental** Marketing to assist us in ensuring that any green claims in our catalogs meet the current standards.
- In **2009**, Grainger established its first annual **Green Supplier of the Year award**. This award was designed to recognize and **reinforce commitment** from suppliers to provide new, **greener products to our customers**. By establishing this award, Grainger suppliers received a clear message that Grainger, and our customers, are committed to implementing green solutions.

4.8.2. Use of single plastic resins in plastic components weighing more than 100 grams; Clear and visible labeling of plastic types in components weighing more than 25 grams.

Grainger works closely with its manufacturers and suppliers to ensure that products are labeled in accordance with the law. As a distributor, however, Grainger cannot ensure that plastic types in components weighing more than 26 grams will be displayed on the label.

4.8.3. Avoidance of paints, including metallic paints on any internal or external plastic housings.

Grainger works closely with its manufacturers and suppliers to ensure that products are labeled in accordance with the law. Products will have the information required by law so that WSCA Members have the information they need to make appropriate decisions.

4.8.4. Equipment that is assembled in such a way that components may be dismantled easily so that individual components may be disassembled, separated, identified and reused or recycled easily.

Grainger works closely with its manufacturers and suppliers to ensure that products are labeled in accordance with the law. Products will have the information required by law so that WSCA Members have the information they need to make appropriate decisions.

4.8.5. Provide a list of products for which you provide end of life take-back and recycling (e.g. fluorescent lamps, batteries, solvents, metals, etc.). List subcontractors if any you use for these services. List any fees or conditions for these services. Certificates of Disposal must be provided for hazardous waste. This is an EPA requirement.

Grainger has two programs that our customers can access to help them recycle:

Call2Recycle Program

Grainger began a partnership with the Call2Recycle program in 2007. As a participant in the program, each Grainger branch offers free, in-branch recycling for rechargeable products, mainly batteries. Grainger branches provide Call2Recycle collection kits for the used items.

The types of rechargeable batteries in the program include those found in:

- Cordless power tools
- Cellular and cordless phones
- Laptops
- Digital cameras

Section 4 Project Specifications - Desirable



- Two-way radios
- Camcorders
- Remote control toys
- And more

Any rechargeable battery or cell phone that weighs 11 lbs. or less will be accepted. Since joining the program, Grainger has recycled more than 50,000 pounds of batteries; that is equal to keeping the weight of five school buses out of community landfills.

RECYCLEPAK Program

Grainger partners with Veolia Environmental Services to provide customers with an easy-to-implement recycling/hazardous waste disposal program across the country. Customers can purchase RECYCLEPAK recycling kits to responsibly dispose of lamps, ballasts, batteries, thermostats and e-waste. For larger projects (ex. Lighting retrofits) Grainger can arrange, for a fee, to have Veolia provide bulk recycling programs as well as specialized programs for recycling medical sharps, paints or other hazardous chemicals.

In addition to the disposal, customers receive a certificate of reclamation and a summary report that they can use to demonstrate the steps they have taken.

- 4.8.6. All proposers are encouraged to offer packaging which minimizes or eliminates the use of disposable containers; is made from recycled content; contains a minimum of 25% by weight of post consumer materials; and/or meets or exceeds the minimum post consumer content level for respective packaging in the U.S. Environmental Protection Agency Comprehensive Procurement Guidelines.

Proposers are encouraged to provide packaging that does not contain inks, dyes, pigments, adhesives, stabilizers, or any other additives to which any lead, cadmium, mercury or hexavalent chromium has been included as an element during manufacture or distribution in such a way that the sum of the concentrations levels of such lead, cadmium, mercury or hexavalent chromium exceed the following concentration level: 100 parts per Million by weight (0.01%).

Describe in detail how your packaging complies with the above criteria. Describe in detail how your shipping promotes environmentally sound practices as listed above.

Grainger continues to identify and implement a variety of initiatives that reduce the environmental impact of packaging materials. Here are a few of the initiatives that have been implemented:

Customer Shipments

- Grainger boxes are made from 43% post-consumer and are fully recyclable within your normal process. All of Grainger's boxes are also made from SFI (Sustainable Forestry Initiative) certified fiber sourcing systems. SFI's main goal is to promote the responsible management of the world's forests. To learn more about the benefits of using Sustainable Forest Initiative processes, visit www.sfiprogram.org.
- In 2009, Grainger moved thousands of shipments from corrugated cartons to envelopes. The envelopes are "Yesterday's News" brand and are made from 100% recyclable material.
- Grainger uses plastic air pillows as dunnage for small parcel shipments. Many of these air pillows are bio-degradable (non oxo-salt containing material). Grainger will be expanding the use of this material.
- Grainger's Distribution Centers actively manage carton consolidation and have identified a key metric "Carton to order ratio." This metric shows that the more we can consolidate cartons the less impact we have on the environment since we are shipping fewer cartons. Over the last year, Grainger has seen a 6% improvement.

Internal Operations

- Grainger installed approximately 3,900 rooftop solar panels at our 400,000+ square-foot Robbinsville, New Jersey Distribution Center. This 1.2-megawatt photovoltaic solar system should provide enough electricity to power 104 homes a year, save the equivalent of the annual greenhouse gas emissions from 164 passenger vehicles and offset more than 1.8 million pounds of carbon dioxide per year. The new system will supply over half of the energy needs for the facility and will serve as an example for future opportunities.
- Grainger installed 45 HVAC replacements in 2009 and plans on installing 53 HVAC replacements in 2010. All new HVAC replacements will contain R-410A refrigerant (a more environmentally friendly refrigerant) instead of R-22.
- Grainger is taking advantage of lighting rebate opportunities and implemented six (five branches and one distribution center) warehouse lighting retrofits in 2009 and is on its way to complete an additional 15 warehouse lighting retrofits in 2010. Lighting retrofits consist of new, more efficient lighting fixtures with occupancy sensors.
- All Grainger distribution centers (DCs) have pledged to purchase, at a minimum, 30% of the total cost of cleaning supplies by using green products. Many Grainger branches have switched to a green cleaning program to maintain our facilities.
- Grainger completed its first carbon footprint analysis for the United States (GIS) operations in 2008, with Canadian locations being added to the 2009 analysis to understand our environmental impact and establish a baseline for improvement. In 2010, Grainger completed an analysis for all of North American and will continue to expand the scope of our analysis in the coming years to include all operating units.
- Grainger's supply chain team also implemented new energy efficient conveyor controls in its distribution centers to minimize conveyor operation under no load conditions.

- 4.8.7. Explain online search capabilities for products that are environmentally safe.



Grainger's online [Green Resource Center](#) guides customers to Green products in certified and non-certified categories. Green products appearing on Grainger.com are marked with a green icon for easy identification. This allows buyers to easily identify the universe of green products and determine which products have the green characteristics that meet the criteria they are looking for.

Grainger makes it easier for purchasers to buy greener products online through two (2) mechanisms:

1. The green resources page at [Grainger.com/green](#) groups greener products into four environmental savings categories (Energy, Water, Green Cleaning & Waste).
2. A second method for finding greener products is for purchasers to utilize the online green filter as they search products. With one extra click, users can review search results for greener products in their category of interest and determine which products have the green characteristics that meet the criteria they are looking for.

- 4.8.8. Describe online and catalog descriptions that explain 3rd party certifications and in-house green labeling criteria.



When shopping on Grainger.com, look for the icon above to help you locate products that may help you run a greener facility. Products identified with this leaf fall into two categories of environmentally preferable products—certified and non-certified. Please see **Exhibit 7, Grainger Green Products Catalog** (printed on FSC certified paper), for further details (Grainger, in the spirit of Sustainability, is submitting the cover page only of this 148 page catalog). In addition, new green products are added to Grainger.com monthly and are available for viewing and purchasing at:

[Grainger.com/green](#)

The U.S. Green Building Council (USGBC) has identified specific areas of focus for environmental savings. Grainger has taken those focus areas and identified product that would be relevant. The current offering of green product exceeds 8,000 items and continues to grow monthly. In addition to the ever growing product offering Grainger also provides solutions to assist companies achieve their sustainability goals which also help drive efficiencies within their businesses. There are many experts within the Grainger supply base that can be leveraged in the areas of water reduction, energy efficiency, water use reduction, and green cleaning/Indoor air quality.

Grainger has also retained TerraChoice Environmental to ensure that green claims of our suppliers keep pace with the ever changing standards of the multiple agencies setting them. They help by providing "greenwork Scans" of our "green" products to ensure they meet the current standards.

Following is additional information on the standards for green labeling and green designations and what Grainger relies upon when including a product that a supplier or manufacturer indicates as “green” or “sustainable:”

Certified Products

Many products meet "green" standards established by a recognized organization such as the ones listed below. These organizations specialize in setting standards and evaluating performance for products that offer customers an environmentally preferable solution:

ENERGY STAR is a label that identifies energy-efficient products that meet strict energy efficiency guidelines set by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE). ENERGY STAR products reduce energy use between 10–75%, without compromising quality or performance. They also feature fewer emissions of greenhouse gases, resulting from reduced use of fossil fuels. ENERGY STAR products allow for a more significant return on investment thru extended product life (for specific products) and decreased maintenance. www.energystar.gov

NEMA Premium™ is a label that identifies energy-efficient motors and ballasts. NEMA Premium™ labeled electric motors assist in optimizing motor system efficiency, reducing electrical power consumption and costs, and improving system reliability. NEMA Premium™ motors are particularly cost-effective when annual operation exceeds 2,000 hours. Annual energy savings are dependent upon operating profile, duty cycle, and efficiency gain. NEMA Premium™ labeled ballasts represents the industry’s most efficient fluorescent fixed-output and dimmable electronic T8 ballasts. High-efficiency ballasts are capable of producing an additional 5-7% energy savings in typical projects. www.nema.org

The EPA’s **Design for the Environment** Program partners with leading companies to make safer products for consumers and the environment. DfE recognition means that the product uses the safest possible ingredients that also ensure the product performs well. www.epa.gov/dfc

Green Seal is an independent, non-profit organization that strives to achieve a healthier and cleaner environment by indentifying and promoting products and services that cause less toxic pollution and waste, conserve resources and habitats, and minimize global warming and ozone depletion. Green Seal’s evaluations are based on state-of-the-art science and information using internationally recognized methods and procedures. www.greenseal.org

The **EcoLogo** Program, North America’s largest and premiere ecolabelling program, provides a market incentive to manufacturers and suppliers for environmentally preferable products and services, and thereby helps consumers identify products and services that are less harmful to the environment. www.ecologo.org/en/index.asp

The EPA’s **WaterSense** label is the mark used to designate a product that meets EPA’s criteria for water efficiency and performance or a professional certification program that meets EPA’s program specifications. www.epa.gov/WaterSense

The **CRI Seal of Approval** program identifies effective carpet cleaning solutions and equipment that clean carpet right the first time and protect a facility’s carpet investment. Not all products clean well enough to earn the Seal of Approval distinction, so look for the blue and green CRI Seal of Approval as proof that you are purchasing or using a quality product. www.carpet-rug.org/commercial-customers/cleaning-and-maintenance/seal-of-approval-products

The **USDA BioPreferred** program aims to increase the purchase and use of renewable, environmentally friendly biobased products while providing "green" jobs and new markets for

Section 4 Project Specifications - Desirable



farmers, manufacturers, and vendors. Products designated as bio-preferred meet minimum levels of bio-based content as defined by the USDA. www.biopreferred.gov

The **BPI (Biodegradable Products Institute) Compostable** Logo program is recognized throughout North America as the standard for approved biodegradable products in organics diversion programs. www.bpiworld.org

SFI (Sustainable Forestry Initiative) certification represents a real commitment by participants to meet rigorous standards, and they have to account for their performance through third-party audits. Only when these standards are met does an organization earn the right to label their products with the SFI logo. This is why the SFI logo has become a symbol of trust, and the preferred choice of a growing number of forest product purchasers around the world. When you see the SFI label on a product, it tells you the product is the result of responsible forest management in North America, and responsible procurement globally. www.sfiprogram.org

SCS offers the most scientific, standards-based product certification for green building products of any certifier. The single and multiple attribute certification programs allow manufacturers to earn certification for one aspect of a product's environmental impact ([recycled content](#), [indoor air quality](#)) or multiple environmental performance attributes (toward life cycle assessment). www.scs-certified.com/products

Non-Certified Products

These products have environmentally preferable attributes and, in some cases, are in categories where standards have not yet been established. Non-certified products, designated by Grainger suppliers, include products that reduce energy (e.g. motion sensors), have low/no VOCs that meet [SCAQMD standards](#) and recycled content products that meet or exceed [EPA standards](#):

Water Conservation - Available fresh water amounts to one-half of one percent of all water on earth. Global water consumption doubles every 20 years. The current demand for water exceeds supply by 17%. Not only will water conservation help this global challenge, but will also help your bottom line.

Recycled Content - The U.S. Environmental Protection Agency (EPA) published the Comprehensive Procurement Guideline (CPG) to encourage the use of materials recovered through recycling with the goal to reduce the amount of disposed waste. The CPG designates items in the following product categories: Paper and Paper products, Vehicular products, Construction products, Transportation products, Park and Recreation products, Landscaping products, Non-paper and Office products.

Energy Reduction - The mission of the Office of Energy Efficiency and Renewable Energy (EERE) is to strengthen America's energy security, environmental quality, and economic vitality in public-private partnerships that: enhance energy efficiency and productivity; bring clean, reliable and affordable energy technologies to the marketplace; and make a difference in the everyday lives of Americans by enhancing their energy choices and their quality of life.

Green Cleaning Alternatives - Green cleaning helps decrease air and water pollution, ozone depletion, and global climate change. It also promotes recycling, reduces the use of raw materials and minimizes the use of toxic products that require disposal.

Some materials, such as Mercury, have a potentially serious impact to the environment. Grainger has made a conscious effort to offer product choices that have eliminated content of these materials. For example, digital thermostats have eliminated the need for mercury by using

electronics. Other examples include paint and cleaning liquids that do not contain environmentally harmful chemicals.

U.S. Green Building Council - The U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) has become a standard for green buildings. This standard provides for certification in several categories. Grainger became a member of the U.S. Green Building Council in 2007 and can provide solutions to help achieve your LEED certification goals. Additionally, in June of 2009, Grainger's corporate headquarters facility located in Lake Forest, Illinois, was certified to the LEED-GOLD standard, along with nine of our other facilities. Two other facilities are now also LEED certified for a total of 12 LEED certified facilities.

In addition to a growing product offer, Grainger is increasingly providing services and added value to help our customers achieve their sustainability goals.

Grainger Consulting – Sustainability

At no cost to our customers, Grainger will complete sustainability assessments confirming current state and then work with expert audit teams to help quantify the effort and return expected to be realized in each environmental savings category (energy, water, waste and air). This service will help prioritize projects to realize the best result for achieving their goals. Once opportunities are identified, Grainger sales representatives can partner with more than 15 suppliers to conduct more specific audits to help reduce energy, water, waste and improve indoor air quality.

Green Reporting

Compliance and accountability are among the most challenging tasks in implementing a sustainability program. To aid in your efforts, Grainger has created best-in-class “green” reporting for our customers. “Green” procurement can be rolled up at an account level to establish a baseline (ex. 10% of the customer’s facilities maintenance spend is “green.”). Once the baseline is established, Grainger Sales Representatives can provide individual site reporting to help administrators understand who is above/below the state average. This information can be used by WSCA Members to demonstrate leadership in sustainability as well as providing recognition to those agencies exceeding expectations in environmentally preferable purchasing.

- 4.8.9. All drums shall remain the property of the supplier. Empty drums shall not become the property of the affected state entity under any circumstance or condition. All empty drums, including their respective caps, plugs, or bungs, shall be collected by the supplier within a reasonable time frame specified by the affected state entity for reuse or recycling via the most reasonable transport method.

Acknowledged

4.9. DISASTER RECOVERY

Please describe your emergency management plan to aid States during an emergency or disaster recovery. Be specific as to response time, supplies availability and other goods and services that you offer.

Grainger is uniquely positioned to respond to emergency situations. Having been in business for 83 years, Grainger has found itself right in the middle of many disasters. We have been there, side by side, assisting, working and helping to get the products needed to those in need. Our experience includes assisting first responders, first receivers and others in all types of emergencies including those resulting from natural disasters and those that are attributable to human failings or intentional acts. We were there

Section 4 Project Specifications - Desirable



in New York City during 9/11, at California's devastating wild fires, at the Minnesota Bridge collapse, and most recently, the Gulf Oil Spill. We also respond to those emergencies that do not make the nightly news, but matter to all those involved.

Grainger's Emergency Management Plan

The key to effectively responding to emergencies is planning. Grainger's continuity planning addresses any situation that might disrupt normal operations in the public's infrastructure, ranging from a short-term inconvenience (e.g., an oil spill, water main break or other maintenance issue) to a long-term interruption (e.g., a major terrorist incident or natural disaster). Grainger, the largest safety supply company in the United States, with coverage that spans the nation, has helped Government Agencies throughout the country respond to regional disruptions through its massive supply chain, product breadth and distribution redundancy. As a result, Grainger has developed general plans and revised them over and over taking in the lessons learned after each emergency or disaster. Revising and refining and customizing these general plans to the situation is what makes Grainger's ability to assist so meaningful.

To illustrate and provide more detail on the above, it is important to note that the starting point is an experienced, cross-functional national team that leads the efforts to respond to the situation. They assess the needs of the area, coordinate with emergency management agencies, first responders and first receivers to develop situation specific plans and bring needed solutions and products to the affected areas. This team is prepared for emergencies; they access our emergency response plans which outline the processes and procedures for dealing with issues ranging from hurricanes to wild fires to acts of terror. Knowing what the key factors are and having a tested reference document accessible allows Grainger to be available immediately and allows us to leverage our experience. The prescribed plans allow for consistent execution even where the nature of the emergencies differ, and allow for customizing to fit these different situations.

The Crisis Management Team has established response procedures that are implemented concurrently.

1. Ensure the safety of Grainger employees. Are they and their families safe? Did their homes sustain damage? Are they able to work?
2. Assess potential damage to the Grainger branch(s). Once safe, a determination is also made as to whether additional employees (from neighboring markets) are needed. For example, during Hurricane Katrina, one of our two New Orleans branches was completely lost. Knowing first hand the dire straights of the situation, we opened a temporary branch and kept that facility open until the damaged branch was repaired and reopened in April 2006.
3. Inventory assessment is conducted. Depending on the nature of the emergency, a pre-determined product list is used to move needed items into the affected market. If additional products are needed, arrangements are made to move those products to the affected area from regional Distribution Centers, neighboring branches or directly from product suppliers.
4. Operationalize the facility by re-routing phone lines and restoring (or using emergency) power.

Enterprise System Continuity Plan

Another key in being available in emergency situations is to ensure that our systems are running and able to support the needs of the situation. Part of Grainger's overall plan includes disaster recovery capabilities for our IT Systems, so that we can readily support our Crisis Management Team. In order to help keep Grainger's IT platform operating and available during any emergency, Grainger has developed a robust Business Continuity Plan to support system integrity and functionality employing both internal and external resources. Grainger has built redundancy into its system and tests the disaster recovery procedures regularly.

State continuity of procurement operations is similarly important. While state procurement offices typically plan to be a part of the Emergency Operation Center, perhaps as a part of the Emergency Support

Section 4 Project Specifications - Desirable



Function-7 (Logistics, Management and Resource Support), often procurement support is provided by the Purchasing Entities procurement office. As was learned in recent hurricanes, emergency management and continuity of procurement operations are distinct challenges. Grainger has experience in both and is available to consult with Participating States and Purchasing Entities.

Product Prioritization

Lastly, Grainger is cognizant of the need to ensure the health and safety of the public. In severe emergency situations, product can be prioritized for first responders/first receivers and government organizations. Local leadership works with the Crisis Management Team and emergency management agencies, local law enforcement, first responders and first receivers, along with others to ensure appropriate and fair distribution to those prioritized entities.

Disasters do not distinguish between federal, state, and local requirements and resources, but the federal system of priorities in national emergencies can be a challenge. Grainger can confer with and assist Purchasing Entities in mitigating the effects of the priority system.

Here are a few examples of how Grainger has responded to both natural and man-made disasters:

➤ Tornadoes

On Wednesday June 11th, 2008, Omaha, Nebraska and surrounding areas were under a Tornado Warning. With heavy rain and tornado sirens, residents and businesses were told to remain in their basements. Within minutes, Grainger branch personnel were notified that Little Sioux Scout Ranch was hit by a tornado.

Grainger's normal process would be to travel to the Branch and start implementing its emergency plans and calling in resources and bringing in inventory. This was something totally different. The Scout Ranch is located 51 miles north of Omaha. Upon arrival at the Camp and working with the first responders, Volunteer Fire Departments and State Highway Patrol, Grainger personnel provided key assistance in identifying products to respond to this disaster by working through the night with first responders to provide them what ever support was required.

➤ Hurricanes

Grainger branches are located in hurricane prone geographies and we are acutely aware of the damage they cause. Whether or not the storm makes the headlines, Grainger is there. Grainger's response to Hurricanes Katrina, Gustav and Ike were highlighted by many supporting efforts. Grainger responded with approximately (25) employees to support all government requests during Hurricane Katrina. Those employees worked from many locations in and around New Orleans to support customer service. Grainger ground support operated in conjunction with our Grainger Headquarters Incident Command Team (ICT) to support the logistics activity required, ranging from product management to supply chain, to sourcing hard to find items.

During the Gustav and Ike hurricanes of 2009, Grainger again deployed personnel to support the ground efforts of the first responders and first receivers and continued to stay in the market for months. Our advance planning and experience positioned us for the immediate and significant supply of hurricane preparation, response and recovery supplies to requesting state and federal agencies. We supplied over 20,000 generators to meet the customer demands.

Grainger's ability to prioritize and move product in advance of when a hurricane hits is a significant advantage for city, state, and federal first responders and first receivers, creating the best opportunity to ensure we are supporting our government customers and their business continuity efforts.

➤ **Flooding**

Grainger also played a role in the response efforts to the May 2010 flooding in Jackson, Tennessee. When the floods hit, our Grainger sales representative was contracted by Tennessee Emergency Management Agency (TEMA) needing sand bags and pumps to aid in recovery. The sales representative engaged the local Grainger Branch the same afternoon and personally delivered the product to the customer. In addition, the local sales representative proactively placed an order for more sandbags to be delivered that night from Grainger's Memphis, Tennessee distribution center to Jackson, Tennessee to aid the recovery efforts. That Sunday, Grainger was alerted by TEMA that they needed food for residents displaced by the floods. That evening, the local Grainger sales representative procured and delivered a full pallet of 5 Minute Meals for these families.

Throughout the duration of the emergency, the Grainger sales representative placed and delivered orders of goods to the disaster area for TEMA, TN Metro Water Service and TN Metro Public Works. These purchases were made under the Tennessee WSCA Contract #SWC 235.

➤ **Earthquakes**

Grainger is leading the way for Emergency Preparedness in preparation for earthquakes with our ability to have consistent products stocked across the branch network. Many customers look to integrating Grainger into their preparation and response processes because of Grainger's breadth and depth of product. When it comes to earthquake preparedness, Grainger has supplied a vast array of products to help customers prepare and respond.

Grainger is active in working with the State of California for preparedness. The California Emergency Management Agency (CAL EMA), the leading body for the State's emergency preparedness efforts, has sought out Grainger to help prepare for earthquakes. Utilizing the WSCA Contract #7066, CAL EMA has used Grainger to procure countless cots, generators, pillows, covers and various other emergency preparedness products to support the State's stockpile.

➤ **Pandemic**

During the H1N1 pandemic, Grainger stood front and center to help government customers, and many of its existing WSCA Members, respond to the possible outbreak of the virus. During the pandemic, Grainger prioritized first responder, first receiver, and Government customer orders first for respirators and pandemic supplies. Below are a few examples where we assisted several WSCA Members.

California Emergency Management Agency

During the H1N1 pandemic, CAL EMA needed to assist the California Department of Education procure face masks to help stop the spread of the virus. CAL EMA was limited in its capacity to execute the logistics and procurement of the product in an expeditious manner. CAL EMA used Grainger to procure and ship 10,000,000 face masks to over 50 different locations across the state of California. Grainger was able to source the masks utilizing a small business partner to help consolidate and ship to multiple locations within four weeks. The State of California utilized the WSCA Contract #7066 to expedite this order.

Arizona Department of Public Health

Arizona Department of Health Services (DHS) was faced with the task of using H1N1 supplemental grant funding within strict time constraints to procure product to mitigate the spread of the virus. During this process, Arizona DHS required N95's, Hand Sanitizer, Nitrile Gloves, Face Shields and Gowns. The State of Arizona needed Grainger to palletize the product and

ship it to multiple locations within a specific timeframe. As a result of consolidating the products, Grainger was able to deliver the items to multiples counties throughout the State and helped the State meet its grant deadline, the state utilized their WSCA Contract #EPS060050 to procure these products.

San Diego Department of Public Health

San Diego Department of Public Health needed assistance to procure H1N1 supplies in order to run its first clinic to distribute the vaccine. They needed all of the supplies by Saturday morning to prepare to give shots to the public. The San Diego County Health Department called Grainger for assistance on Friday afternoon. As the day progressed, Grainger was able to pull together the following items and deliver them on Saturday to San Diego County: Cotton balls, Sharps Containers, Tissue, Syringes, Bandages, Aspirin, Motrin, Gloves and face masks. Grainger was able to help the San Diego Department of Public Health implement and begin the vaccination programs for the greater San Diego area. The San Diego Department of Public Health utilized the State of California's WSCA Contract #7066, to purchase these supplies.

➤ **Terrorism**

Prior to 911 and the World Trade Center event, Grainger had established key relationships with the New York and New Jersey Port Authority (NYNJ PA). This was instrumental in our ability to respond to the request for product that came to Grainger's Maspeth Branch in New York. Within two hours of the planes hitting the World Trade Center Towers, Grainger had two tractor trailers full of pre-positioned and staged product delivered to Ground Zero from our New Jersey distribution center.

The Port Authority, which was headquartered in the World Trade Center, escorted Grainger trailers to Ground Zero for deployment. Grainger supported the recovery effort by staffing, supplying and keeping open Grainger's Lower Manhattan branch, less than ½ mile away from Ground Zero, 24 hours a day/ 7 days a week for two weeks. In addition, Grainger had a command center at its corporate headquarters to coordinate all supply chain efforts and work with our key suppliers to ensure the right products were delivered to our first responders.

The brick and mortar advantage Grainger has by maintaining fully stocked branches in every major city was a critical factor in our ability to be a key resource in assisting with the first responders and the recovery efforts on that fateful day and the many days thereafter.

➤ **Oil Spills**

As the Deep Water Horizon disaster churned oil into the Gulf of México, Grainger mounted an extensive effort to provide much needed product for the clean-up effort. The Grainger team worked closely with several customers to deploy the right products to various crews spread throughout the region. Three Grainger trailers were positioned from Florida to Louisiana with needed supplies. Customer Service Associates at Grainger's branch in New Orleans were dedicated to the effort and additional Grainger resources were assigned to help manage on-site product requests.

Emergency Response and Recovery

In short, Grainger's emergency response and recovery platform is the best in the industry. In the event of an emergency, WSCA Members can call **800-CALL-WWG** for Grainger's 24-hour emergency services, which includes extended hours during major disasters. During and after an emergency, Grainger provides special services to our customers and their communities.

Section 4
Project Specifications - Desirable



Volunteering: The Partnership

Given Grainger's extensive product mix, distribution capabilities, and culture of service, the company is a natural leader in disaster preparedness and response, mobilizing employees and essential products in times of emergency throughout the company's U.S. branch network. Since 2001, the company has built a strategic partnership with the American Red Cross. Grainger is the **National Founding Sponsor** of the American Red Cross Ready When the Time Comes (RWTC) Program. This unique partnership between Grainger and the country's premier disaster relief organization, the American Red Cross, ensures large groups of local, trained volunteers are ready to respond to a disaster.

RWTC trains corporate employees and their family members as volunteers to help support local disaster relief efforts. In addition to staffing call centers, assisting with mass care sheltering and feeding operations, and conducting damage assessment, volunteers may be called upon to train other corporate volunteer groups in disaster relief, provide public relations and media assistance or other support activities.

Ready When the Time Comes programs are operational in Chicago, IL; Denver, CO; Tampa, Jacksonville, West Palm Beach, and Broward County, FL; Houston and Dallas, TX; Baltimore, MD; San Francisco, San Diego, Long Beach and Orange County, CA.; St. Louis and Kansas City, MO; Mobile, AL; Baton Rouge, LA; New York, NY; Greenville, S.C.; Cincinnati and Columbus, OH; and Washington, D.C.

"During and after disasters, our customers count on us for batteries, flashlights, generators, safety equipment and more. Stricken neighbors also count on us ... for the hot meal, place to rest and compassionate support that our Ready When the Time Comes volunteers generously provide."

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

Grainger's leadership of the RWTC program has been recognized by several partner chapters and local entities.

- 2008 Good Neighbor Award – Cincinnati Red Cross
- 2008 Good Neighbor Award – Baltimore Red Cross
- 2008 Mayor's Business Recognition Award – City of Baltimore
- 2009 Hal Ball Good Neighbor Award – Long Beach Red Cross

Upon request, Grainger will host a Disaster Response Summit, in conjunction with Grainger's Emergency Preparedness and Safety suppliers. For example, Grainger will provide the planning and other resources to host a one-day disaster planning summit in connection with the WSCA cooperative procurement conference or the NASPO Annual meeting. Grainger will coordinate the panel participants and topics with WSCA. The purpose of this Disaster Response Summit will be to promote WSCA's leadership and improve WSCA/NASPO procurement professional emergency preparedness planning, emergency response actions and emergency operations managements by leveraging the national experience and capabilities of W.W. Grainger.

4.10. EMERGING SMALL BUSINESS (ESB), MINORITY BUSINESS ENTERPRISE (MBE), WOMEN BUSINESS ENTERPRISE (WBE), and DISABLED VETERAN OWNED BUSINESS

Some Participating States, may desire to purchase products and services from ESB/MBE/WBE/DV companies. Some Participating States may or may not have an ESB/MBE/WBE/DV program and therefore each state will integrate this desirable into its Participating Addendum, if applicable. In some Participating States, to qualify as an ESB/MBE/WBE/DV supplier the listed companies must be registered with either the government or a recognized certifying entity and provide a certification type and number. Registered ESB/MBE/WBE/DV companies must be operating from a legitimate commercial site, carry all applicable insurance policies, required business licenses, and have operated continuously for at least two years. Please explain how the Proposer will provide opportunity for, ESB/MBE/WBE/DV companies.

At a minimum, the following policies and practices must be described in detail:

Grainger has established formal small business and supplier diversity programs. Our small business program has been in place since 2006 and our supplier diversity since 1995. Throughout the years, Grainger has sought and found creative ways to promote opportunities for small businesses, Minority and Women-Owned Businesses, and Service-Disabled Veteran-Owned Businesses. Indeed, supplier diversity is not a social program, it is a strategic sourcing initiative that adds value to the bottom line and provides benefits throughout the company. We are proud of our diverse supply base, and are committed to expanding it further. We know that our continuing success depends on it.

Grainger supports small businesses through two programs; supplier diversity and the Distributor Alliance (DA) program. Supplier diversity, or commonly referred to as a Tier II program, seeks manufacturers and promotes their products through Grainger's distribution channels. Distributor Alliance, or Tier I program, aligns diverse businesses, as specified by the end customer, as resellers to the targeted end customer. It is Grainger's intention, upon award, to offer any or all programs to individual states as defined in their participating addendum.

All states have different legislation, goals and interpretation of these programs, and Grainger will tailor a program to each interested states needs. Because Grainger has unique and broad experience in satisfying the objectives of emerging and disadvantaged business policies across the nation, Grainger was invited to provide a national, industry perspective on small and disadvantaged programs at the October 20, 2010 Denver, Colorado program, 'State and Local Procurement Update: An Insider's View.'

4.10.1 Describe in detail how the Proposer will work with the registered companies to determine what products can be a part of the contract.

All products sold by Grainger are available to aligned Tier 1 DBE's. Each DBE receives the benefit of Grainger's supply chain, depth and breadth of inventory, and fast shipping to support the DBE's sales efforts.

4.10.2 Describe in detail how the Proposer will track all ESB/MBE/WBE Products and services, including ordering, delivery, and invoicing.

Reporting is available for both our Distributor Alliance and supplier diversity partners. These reports, which can be generated quarterly, identify dollars spent with certified M/BE/WBE by ethnicity and/or Small Businesses. The reports can include both direct and indirect spend. Direct spend indicates products

Section 4 Project Specifications - Desirable



purchased from Grainger and manufactured by MBE/WBE businesses. Indirect spend consists of products and services which Grainger purchased from MBE/WBE companies for its own use. Grainger reports indirect spend based on the customer's sales as a percent of total Grainger sales. Grainger can also identify the indirect and direct spend that originated in a specific state.

Additional reporting on our Distributor Alliance program is available which summarizes sales to our aligned partners, along with training and mentoring efforts from Grainger to those businesses. Grainger tracks all sales from the DA Member to WSCA Members, and can report those sales as required by the state. Purchases can be reported by product category or SKU by state or by ordering location.

- 4.10.3 Provide a list of Products that may be available to be purchased from ESB/MBE/WBE companies under the proposed Contract.

Identification of Diversity Made Products

Diversity made products are identified within the Grainger catalog and on our website with the Supplier Diversity symbol shown below.



Information can also be found on that following URL:

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

- 4.10.4 Describe how Proposer will make best efforts to increase the number of Products available to Authorized Purchasers under the Contract acquired from ESB/MBE/WBE businesses.

Supplier Diversity

Grainger is deeply committed to Supplier Diversity. Grainger affords historically under-represented businesses the maximum practicable opportunity to do business with Grainger. To ensure that Grainger increases the number of products available under our program, we periodically conduct Product Line Reviews to see where we can be inclusive and increase participation of MBE/WBE firms. As a part of each Product Line Review conducted, we search the following databases for certified MBE/WBE firms:

- ❖ National Minority Supplier Development Council (NMSDC)
- ❖ Women's Business Enterprise National Council (WBENC)
- ❖ Small Business Administration/PRO-Net (SBA)
- ❖ Internal Supplier Registration Portal

Good Faith Efforts

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

To increase exposure of our current suppliers, we host a National Sales and Services Meeting each year. At this event suppliers have an opportunity to meet Grainger customers, thereby increasing the exposure

Section 4 Project Specifications - Desirable



of their products. We feature our diversity suppliers with special signage at this event, and host a VIP reception for our diversity suppliers to meet Grainger senior business leaders.

As with all of our catalog suppliers, we monitor performance with a monthly balanced scorecard, provide feedback and offer assistance in any performance areas where improvement is needed. Grainger is a founding corporate member of the Diverse Manufacturing Supply Chain Alliance (formerly National Minority Manufacturing Institute). This organization helps suppliers improve processes, increase efficiencies and remain competitive in our supply chain.

Internal Efforts

We deliver training and communicate the company's objectives around supplier diversity throughout the year. We conduct bi-monthly meetings with key business units and department representatives to drive results and increase effectiveness of internal marketing efforts. These efforts will assist Grainger in meeting its goal of growing Supplier Diversity sales by 7% in 2010.

Within our enterprise wide ERP system, we have built in tools and processes to improve our procurement tracking and reporting. Listed below are some examples of the internal efforts to increase awareness and drive accountability:

- Company policy statement
- Quarterly executive leadership meetings to identify upcoming procurement opportunities and monitor progress towards goals
- Communicate new diversity product suppliers to the field personnel via employee website
- Periodic employee communications on the importance and progress of Grainger's supplier diversity program through feature articles in Network News, Employee Connection, and Yammer internal social media site
- Inclusion of diverse suppliers at National Sales Meeting (NSSM) for maximum exposure to Grainger sellers. Participation fees were reduced to provide additional opportunity for diverse suppliers to attend
- Develop individual "Smart Sheets" and box stuffers featuring diversity suppliers products
- Web-enabled sourcing tool with company-wide access hosted by DIR/Supplier Gateway

4.10.5 Describe what other products or services the Proposer can offer within a category that supports ESB/MBE/WBE suppliers.

In addition to the 10,000 items available from certified MBE/WBE catalog suppliers, our Sourcing Division has access to all products made by these manufacturers. These are also available to our customers as Tier II diversity purchases.

Distributor Alliance (DA) Program

In addition to Tier II contributions, Grainger's innovative Distributor Alliance program is available to any state location or department and purposefully focuses on local alignments to keep state facilities maintenance spend within the state. The Distributor Alliance program, launched in 2006, currently has over 60 Members, covering 16 WSCA Member states, consisting of local small businesses, MBE/WBE, and Service-Disabled Veteran-Owned Businesses. A dedicated team of field-based business managers have been created to mentor the diverse DA Members and act as a liaison between Grainger, the End Customer, and the DA Member.

Section 4 Project Specifications - Desirable



Grainger realizes small business and disadvantaged organizations are the backbone of our community and the country's economic health. Therefore, there is a cost associated with this program and Grainger will work with those states that desire to utilize this alternate channel. This will be clearly outlined with the use of each state's Participating Addendum.

Distributor Alliance Strategy and Goal

The goal of Distributor Alliance is to implement programs which keep state facilities maintenance spend within the State, help small business members grow and employ more people, and use Grainger's supply chain as the mechanism for product flow. Grainger's Distributor Alliance strategy is to create customized alignments based on the end customer requirements. A DA partner is chosen based on state specific requirements and its ability to add value to the relationship between all three parties: the state, the DA partner, and Grainger. Together, Grainger and the DA partner provide the state with facilities maintenance products, solve their procurement needs, and assist the state in meeting their diversity goals.

Grainger's Distributor Alliance program is distinctly different from other reseller programs in the marketplace. Grainger does not believe in a "one size fits all" solution; each alignment, each state, is treated as a new diversity opportunity. Under this award, each State will receive a **customized** Tier I solution which incorporates their small business requirements. States will receive the same level of customer service and product availability that they would receive from Grainger direct. States may also receive credits when purchasing products from certified Grainger DA Members which are also manufactured by certified Supplier Diversity vendors. The Distributor Alliance program is scalable and can be implemented at any State locations

Mechanics of the Distributor Alliance Program

Each DA Partner is aligned, under contract, to a specific end customer. Each contract clearly outlines terms which ensure the authenticity of small business credit.

- DA Member provides sales and marketing activities to the End Customer
- DA Member takes title of the product ordered on behalf of the End Customer
- DA Member is provided a credit limit based on their financial strength. As required, Grainger works with its DA Members to create development plans to grow their financial strength, which increases capacity, and adds more value to the state.
- The contract between Grainger and the DA Member spells out additional services as required by the end customer, such as kitting, labeling, storage, delivery, or inventory management
- DA Members build their own ECommerce platforms to receive and process end customer orders, while Grainger provides product content. Grainger works closely with the DA Member when eCommerce solutions can be offered to the state procurement agents.

Once the alignment is active, Grainger provides a dedicated team of 10 employees who provide mentorship and support free of charge to all DA Members and support Grainger Sales team in its goals. Operational support is provided to the DA Member enabling them to focus on sales, processing orders, and ensuring on-time delivery.

Mentorship includes an assigned regional business manager as an advocate for the DA Member, and provides assistance in goal-setting, forecasting, marketing, and customer service process improvement. Activities include:

- Small Business Growth Development strategy from Grainger's regional small business advocate and State small business team members

Section 4 Project Specifications - Desirable



- Training on policies and procedures. This training may focus on such areas as: sales, eCommerce, customer service, order placement, and procurement
- Training on customer business issues such as safety, sustainability, and emergency preparedness
- Quarterly Business Reviews which identify best demonstrated practices, areas of opportunity, and review sales strategies
- Product Training from Grainger and Grainger suppliers
- Grainger Value Advantage (GVA) training, which teaches DA Member how to identify and solve end customer's need
- Interaction and joint sales calls with Grainger's sales and operations staff aligned to participating State locations

Grainger takes no ownership or part ownership of any of its selected DA partners. Grainger maintains a clear separation to preserve the integrity of the program.

DA Member Commitment to the State

Responsibilities of DA Member within state alignment, may include but are not limited to: Register as a vendor to State and be certified by the State, be in business for at least two years, allow site visits by the State, carry applicable insurance policies, carry required business licenses, and use Grainger's supply chain to provide the state with MRO products. Each DA member will provide customer service including: order taking, pricing, quoting, problem resolution, returns, and tracking, comply with WSCA -Grainger contract terms and conditions, collaborate with local Grainger sales force to call on end customers, share market knowledge, deliver high level of customer experience, and participate in trade shows on behalf of or in conjunction with Grainger.

The State may request other services be provided by the DA Member. Those services may include:

- Provide personnel to maintain customer inventory
- Perform inventory management
- Provide scheduled deliveries to designated points at customer sites
- Kitting services
- Order or vendor consolidation
- Storage
- Provide an eCommerce solution (Punch-Out)
- Provide capability for procurement card purchases
- Demonstrate ability to reduce waste, create paperless processes, and focus on process improvement
- Maintain certifications

4.11 Community Rehabilitation Program (CRP) / Qualified Rehabilitative Facilities (QRF):

- 4.11.1 Describe how the Proposer supports the use of products and/or services sourced from QRF and the CRP programs.

Section 4
Project Specifications - Desirable



Grainger will work with a Qualified Rehabilitation Facilities (QRF) to determine how best to fulfill the terms and conditions of this contract. Grainger understands the importance and role Community Rehabilitation Programs (CRP)/Qualified Rehabilitation Facilities play in state government. We also understand that these programs sometimes offer products that would fall under the general scope of this solicitation. In support of these community-based programs Grainger will work with each Participating State to understand their CRP/QRF programs and to develop an appropriate strategy that aligns with each state's needs and objectives.

NIB-Ability One / Grainger Working Relationship

Grainger has demonstrated experience working with disabled owned businesses at the Federal level. Grainger's relationship with National Industries for the Blind has expanded in recent years through the combination of our supply chain capabilities with the enhanced focus on selling Ability One products to the Federal Government. Grainger sales of Ability One products, especially to the United States Postal Service, have grown from \$2.9 million in 2006 to \$4.8 million in 2009. In addition, we have worked with various agencies to expand our on base military partnership by selling Grainger General Catalog products through their base stores from \$1.7 in 2005 to \$7 million in 2009. Sales of Ability One items to the Postal Service continue to increase. Sales to USPS customers of Ability one items in the first 3 quarters of FY 2010 have exceeded \$2 million, a 28% growth over FY 2009.

Currently Grainger has over 375 Ability One products in our offering to Federal Government customers, and will also make these products available to WSCA Members. These products come from 24 different Ability One Suppliers.

On June 15th, 2010, Grainger was also honored to receive a "Partner In Excellence" award from Kevin A. Lynch, President and CEO, National Industries for the Blind. This award further demonstrates Grainger's commitment to developing economic opportunities for the disabled.

Grainger will also engage in other economic development activities such as:

- 1. Increase size of Diverse Suppliers in Grainger General Catalog:** Work with each state to identify certified Small Businesses that manufacture products that could be included in Grainger's Red Book.
- 2. Work with State Workforce Investment Boards to Hire Locally:** Anytime a Grainger job opportunity opens up within each WSCA State, Grainger will send a job opening to the State's designated Workforce Investment Board. Grainger will also support Job Fairs and other job-related forums within each WSCA state. Also, Grainger will leverage its Tools for Tomorrow Program to promote education and training in the MRO Field.

4.12 RETAIL STORE PURCHASES/WILL CALL:

Describe the availability of contracted items through Proposer's branch locations. Please provide a list of branch locations that provide a will call service in each of the Participating States.

Last year, Grainger provided over 443,000 counter transactions to WSCA Members across all its branch locations. Grainger also shipped approximately 73,900 orders with pre-paid freight to WSCA members across the country. Each branch is designed to make inventory available to customers on a just-in-time basis. Each of our 400+ branch locations carries on average \$1 million in inventory within 22,000 square feet and is managed by an average of 12 employees processing 110 transactions per day. Each branch can tailor its inventory to local customer preferences and actual product demand. Products are available for immediate pick-up, same day shipment, or delivery. Through this world class logistic network, Grainger carries approximately \$1 billion in inventory made available each day to over 1.8 million customers.

Section 4 Project Specifications - Desirable



Grainger is currently building two new state of the art, LEED Certified distribution centers strategically located to get product to our WSCA Members same day or next. One facility is currently being built in Patterson/San Francisco, California, and another scheduled to be built in Minooka, Illinois. These two facilities bring our total number of distribution centers to fifteen facilities across the United States, with approximately 7.7 million square feet of distribution centers, and with an estimated 16.5 million square feet with our branch network, this makes Grainger one of the largest square footage suppliers in the industry.

Investing close to \$100 million, Grainger's Patterson/San Francisco facility will reside on a 45-acre property in Patterson/San Francisco's KeyStone West Business Park, bringing jobs and economic development to an area hit hard by the economic downturn. Development began in September of 2009. The 800,000 square-foot distribution center is scheduled to open mid-2011 and is projected to house more than 350,000 industrial supply products, such as heating, ventilation and air conditioning equipment, hand and power tools, and electrical and safety supplies totaling \$75 million. The company anticipates the new facility will employ 150-200 warehouse and logistics employees when complete.

Grainger's one million square-foot distribution center in Minooka, Illinois, is scheduled to open in 2012. The new facility will enhance service to customers across the Midwest. Construction will start on the new property in 2010. This new distribution center will allow Grainger to deliver more products next day to our Midwest customers. Minooka will house more than 300,000 facility maintenance products, totaling more than \$116 million in inventory. This facility is anticipated to employ approximately 400 warehouse and logistics employees.

A list of each branch location is located in **Exhibit 2**.

In addition, Grainger's distribution centers (DC) provide another conduit for procuring maintenance, repair and operating supplies. Each DC averages more than 300,000 square feet in size and stocks 50,000 of Grainger's fastest selling items. The DCs, using automated equipment and processes, ship orders, including Internet orders, directly to customers for all branches located in their service areas. As part of this award, Grainger shall ensure that each DC is stocked with an adequate supply of those items identified in the WSCA Market Basket.

Provide a narrative that explains how authorized purchasers will be able to make purchases at will call branch locations, make payment for those items and have those items included in the reporting described as described in Section 4.7.

Grainger will utilize its expansive nationwide network of branches to provide WSCA Members and their authorized purchasers with all their MRO needs. Each branch has the ability to process will call and counter orders and make payment for those items. Trained Customer Service Associates (CSAs) can assist customers in identifying and filling their product needs. These needs are varied but include identification of product alternatives for cost savings, product standardization, and vendor consolidation. Branches can also provide customized inventory tailored to the needs of local institutions.

WSCA Members may also receive spend data regarding purchases made at branch locations. As outlined in Section 4.7 (Reporting Capabilities), Grainger can provide WSCA Members with reporting that includes: purchase order date, purchase order number, purchasing entity name, purchasing entity address, Grainger product category, brand/manufacturer name, brand/manufacturer part number, Grainger material number, item description, quantity purchased, Grainger price at time of purchase, calculated Grainger catalog discount percentage at time of purchase, extended purchase price and method of purchase.

4.13 GROWTH INCENTIVES:

4.13.1 Describe in detail any contract growth incentives, e.g. larger revenue, different levels of discounts for large orders that may be offered to the Participating States/purchasing agency.

Grainger's goal is to establish a WSCA and Grainger facilities maintenance contract that is a differentiator in the marketplace, assist WSCA Members with obtaining the overall lowest cost and best value, and continue to enhance WSCA's position as the premier Purchasing Cooperative with state government, including agencies and political subdivisions.

In working to accomplish this goal, Grainger takes into consideration the budget pressure at all levels of government and understands that this pressure will not lessen any time soon. Grainger also understands the importance of revenue generation and as a result, its incentive proposal offers the individual states administrative fees in tiered incentives.

For nine years, WSCA and Grainger have been successful in providing WSCA Members with a vehicle to help them consolidate their purchases. Grainger is offering Participating States a portion of the benefit derived from our contract. The incentives that Grainger proposes demonstrate our commitment to Participating States by sharing in the benefits of their growing participation.

Grainger offers each Participating State a series of incentives that will provide a direct financial benefit:

1. Base Program

This program offers an annual base administrative fee (paid quarterly), an annual incremental growth incentive and an annual online ordering incentive.

Base Program Table

Base Administrative Fee (paid quarterly)	1% paid on all purchase dollars
Annual Growth Incentive	1% for 10% Incremental Growth (Incentive paid on incremental purchase dollars)
Annual Online Ordering Incentive (see illustration in Section 4.13.2)	1% for achieving 50% of total purchases through an eCommerce platform (i.e. Grainger.com, Punch-Out, SAP Connection). Incentive paid on all eCommerce purchase dollars.

2. Individual Supplier Program - (Single Award by State)

The purpose of this program is to provide each awarding Participating State an incentive to provide Grainger a single award in the event that the Master WSCA Contract is a multiple award. Grainger has been told by certain WSCA Members that multi-award contracts are more costly to manage, can impede productivity, and can create inefficiencies in ordering, delivery and inventory management for end users. Therefore, we created the Individual Supplier Program (ISP) to reward each Participating State that offers Grainger a single award facilities maintenance contract and agrees to put forth best faith efforts to consolidate existing state agreements that closely align to the 18 categories listed in this solicitation into Grainger's WSCA contract.

Additionally, to assist in state's consolidation efforts, Grainger will work with each state to develop a customized Market Basket consisting of up to 100 critical items that are associated with the other existing agreements targeted for consolidation. These critical items will be aggressively discounted.

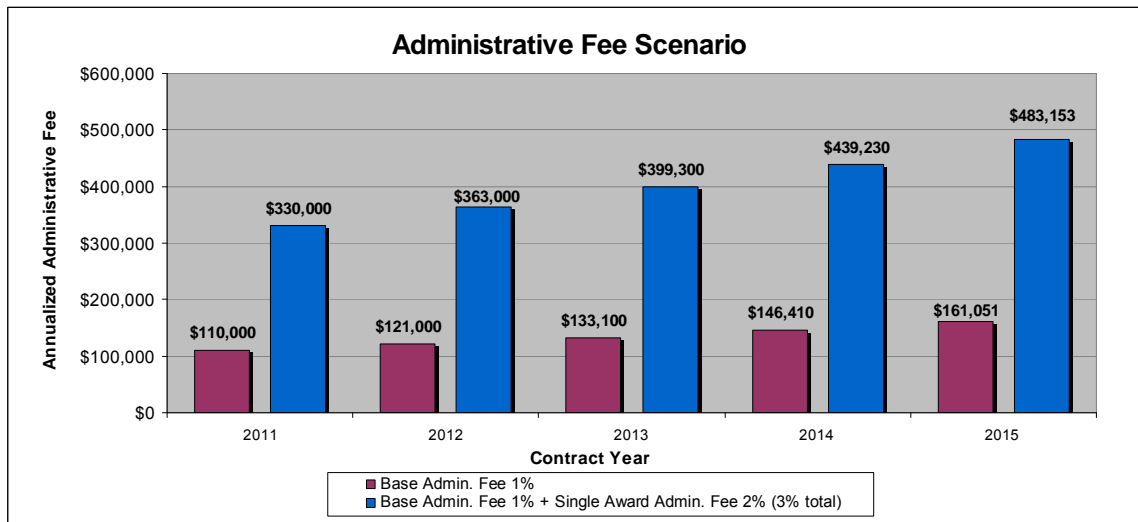
Individual Supplier Program (ISP) Table – (Single Award by State)

Base Administrative Fee (paid quarterly)	1% paid on all purchase dollars
Single Award Administrative Fee (paid quarterly)	2% additional paid on all purchase dollars. (For a total of 3% when coupled with the Base Administrative Fee)
Annual Growth Incentive	1% for 10% Incremental Growth (Incentive paid on incremental purchase dollars)
Annual Online Ordering Incentive (see illustration in Section 4.13.2)	1% for achieving 50% of total purchases through an eCommerce platform (i.e. Grainger.com, Punch-Out, SAP Connection). Incentive paid on all eCommerce purchase dollars.
Customized Market Basket	Up to 100 critical items with aggressive pricing.

Base Administrative Fee vs. Single Award Administrative Fee

The Administrative Fee chart below depicts the estimated Incentive payments to a Participating State with ten million dollars (\$10,000,000) of existing purchases at the inception of the Contract and with ten percent (10%) annual growth. (2010 baseline purchases = \$10M, with 10% growth year over year.)

Example: Administrative Fees Illustrated Only

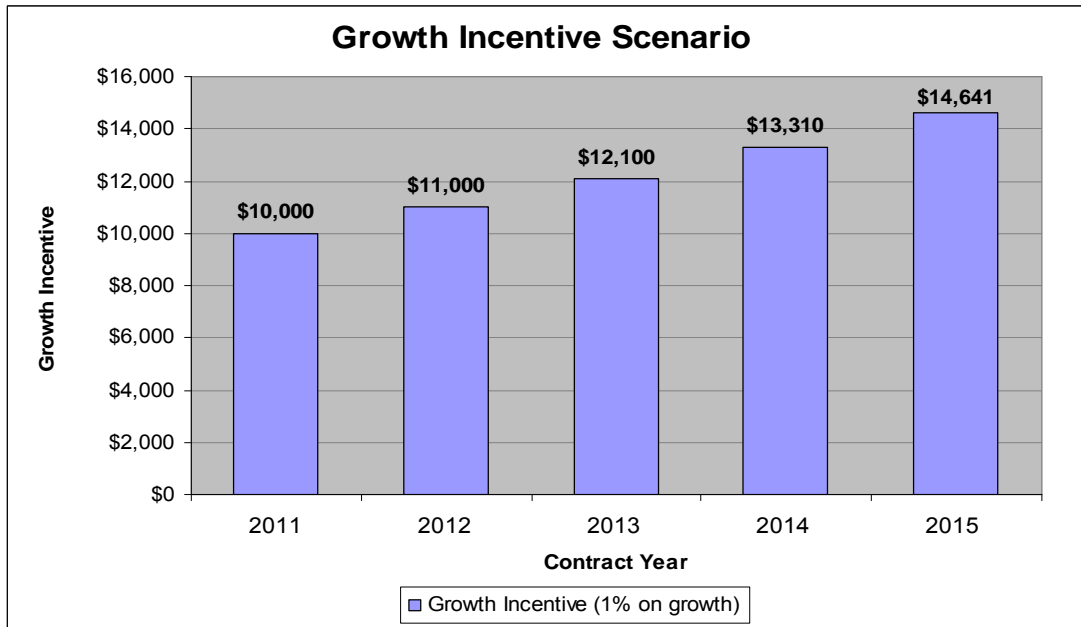


Growth Incentive

In addition to the Administrative Fees above, Grainger will offer a Growth Incentive of 1% where growth over a Participating State’s prior year’s purchases (“Baseline”) meets or exceeds 10%. The Growth Incentive is paid on the incremental purchases over Baseline.

Example

The “Growth Incentive Scenario” chart below illustrates the estimated Growth Incentive based upon a Participating State with ten million dollars (\$10,000,000) of existing purchases at the inception of the Contract and with ten percent growth each year (2010 purchase baseline = \$10M, with 10% growth each year).



To understand the total value that these incentives may provide, we look to the estimated annual payout amounts that will directly benefit the participating WSCA states in the two programs:

Example

Base Administrative Fee + Growth Incentive

Contract Year	Total Annual Sales	Base Admin. Fee (1%)	Growth Incentive (1% on growth)	Total Base Admin. Fee + Growth Incentive
2011	\$ 11,000,000	\$ 110,000	\$ 10,000	\$ 120,000
2012	\$ 12,100,000	\$ 121,000	\$ 11,000	\$ 132,000
2013	\$ 13,310,000	\$ 133,100	\$ 12,100	\$ 145,200
2014	\$ 14,641,000	\$ 146,410	\$ 13,310	\$ 159,720
2015	\$ 16,105,100	\$ 161,051	\$ 14,641	\$ 175,692
Total	\$ 67,156,100	\$ 671,561	\$ 61,051	\$ 732,612

Single Award Administrative Fee + Growth Incentive

Contract Year	Total Annual Sales	Single Award Admin. Fee (3% total)	Growth Incentive (1% on growth)	Total Single Award Admin. Fee + Growth Incentive
2011	\$ 11,000,000	\$ 330,000	\$ 10,000	\$ 340,000
2012	\$ 12,100,000	\$ 363,000	\$ 11,000	\$ 374,000
2013	\$ 13,310,000	\$ 399,300	\$ 12,100	\$ 411,400
2014	\$ 14,641,000	\$ 439,230	\$ 13,310	\$ 452,540
2015	\$ 16,105,100	\$ 483,153	\$ 14,641	\$ 497,794
Total	\$ 67,156,100	\$ 2,014,683	\$ 61,051	\$ 2,075,734

Additional Base Incentives

Large Order Discounts

Grainger has a tremendous amount of experience working with the WSCA Membership on large projects and pricing the product accordingly. Grainger will work with WSCA Members to leverage additional discounts from our General Catalog manufacturers and suppliers for large, single orders, based on size and scope. This procurement vehicle has tremendous advantages to be utilized for this type of transaction, in particular for Homeland Security Equipment, Pandemic Supplies and times when a disaster strikes. Many state and local government organizations depend on and look for contracts like this to procure what they need, when they need it.

Traditional Value Added Incentives

Traditionally, value-added services, such as Vendor Managed Inventory, are “fee-based” services charged in advance of services rendered. Grainger offers a suite of Value-Added Programs at no cost to the WSCA Membership. These services allow states to cut costs in a number of different ways. For example, Grainger’s Consulting Services team baselines customers’ current procurement processes and provides a detailed cost savings recommendation for improvement, saving WSCA Members both time and money.

Services currently available at no cost include, but are not limited to:

- Consulting Services
- Grainger Inventory Solutions
 - Vendor Managed Inventory
 - Customer Managed Inventory
- Product Training
- Safety Training
- Lighting Audit Services-Turnkey Solutions
- Regional Program Managers Consultations (Safety and Sustainability)
- Special Orders (Sourcing)

4.13.2 Describe in detail any incremental pricing incentives for online ordering verses fax or call in ordering.

eCommerce Incentive

1% for achieving 50% of total spend through eCommerce platforms (i.e. Grainger.com, Punch-Out, SAP Connection). Incentive paid on all purchases through eCommerce.

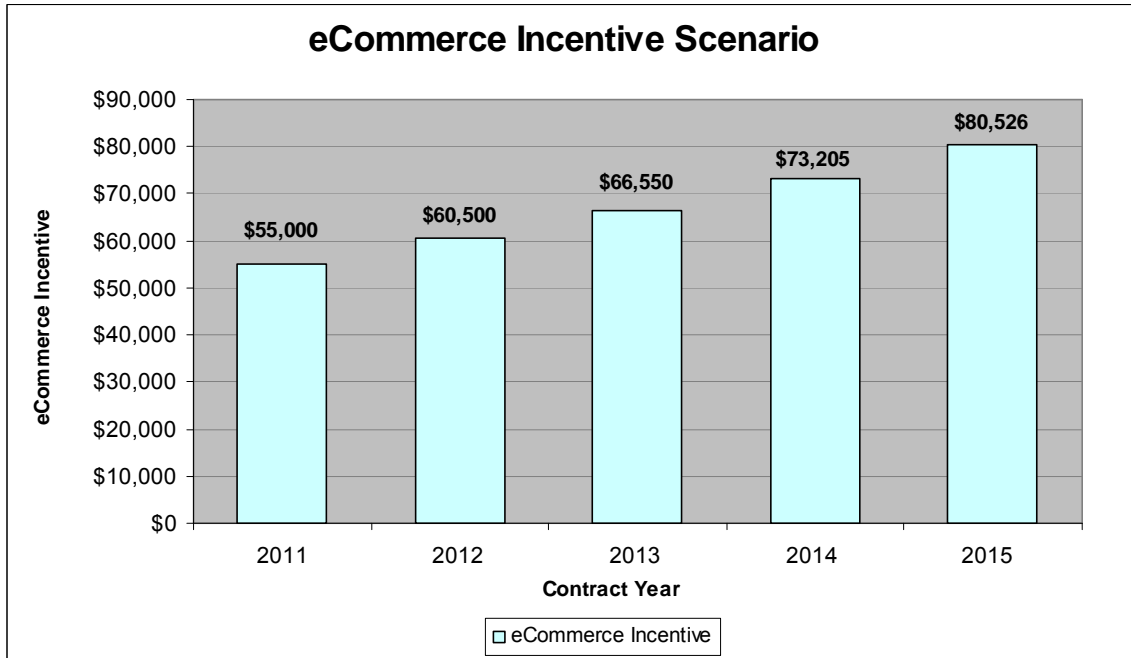
During the first quarter of every year, Grainger will calculate for each Participating State the percentages of total purchases that were placed during the previous calendar year through an eCommerce platform. If 50% of orders were placed via an eCommerce transaction, that Participating State will receive a 1% incentive on the total purchases that were executed via eCommerce. This incentive will be paid annually during the first quarter of the following calendar year. It will be paid directly to the Participating State.

Section 4
Project Specifications - Desirable



Example

The chart below depicts the estimated eCommerce Incentive based upon a state with ten million dollars (\$10,000,000) of existing purchases at the inception of the Contract, ten percent (10%) annual growth and with 50% going through eCommerce platforms. (50% of year one purchases = \$5M, including a 10% growth each year, the total payout over the five year span would be \$335,781.)



Section 5

Company Background and References

COMPANY BACKGROUND AND REFERENCES

5.1. PRIMARY PROPOSER INFORMATION

Proposers must provide a company profile. Information provided shall include:

5.1.1. Company ownership (sole proprietor, partnership, etc).

W.W. Grainger, Inc. began distributing maintenance, repair and operating supplies in 1927 and was incorporated in 1928 in the State of Illinois. Grainger became a publicly traded company in 1967 and to day is a publicly held Fortune 500 company with shares traded on the New York and Chicago stock exchanges, traded under "GWW".

- 5.1.1.1. Incorporated companies must identify the state in which the company is incorporated and the date of incorporation. **Please be advised**, pursuant to NRS §80.010, incorporated companies must register with the State of Nevada, Secretary of State's Office as a foreign corporation before a contract can be executed between the State of Nevada and the awarded proposer, unless specifically exempted by NRS §80.015.

W.W. Grainger, Inc. began distributing maintenance, repair and operating supplies in 1927 and was incorporated in 1928 in the State of Illinois.

Grainger has been licensed to do business in the State of Nevada since 1975.

- 5.1.1.2. The selected proposer, prior to doing business in the State of Nevada, must be appropriately licensed by the Department of Taxation, in accordance with NRS §360.780.

Grainger is appropriately licensed by the dept of taxation. Grainger's State of Nevada Business license number is NV1975003157.

- 5.1.2. Disclosure of any alleged significant prior or ongoing contract failures, contract breaches, any civil or criminal litigation or investigation pending which involves the proposer or in which the proposer has been judged guilty or liable. Officers of the corporation involved in any litigation?

As disclosed in the public record in our SEC filings, Grainger received a letter in December 2007 from the Commercial Litigation Branch of the Civil Division of the Department of Justice (DOJ) regarding Grainger's contract with the General Services Administration (GSA) alleging that Grainger had not complied with its disclosure obligations and the contract's pricing provisions, and had potentially overcharged the government customers under the contract. Discussions relating to the Grainger's compliance with its disclosure obligations and the contracts pricing provisions are ongoing with the DOJ.

Section 5
Company Background and References



Additionally, the government intervened in a previously filed civil “qui tam” action alleging non-compliance with the pricing provisions for “sourced” items under the contract and with the country of origin provision of the Trade Agreement Act. In July, 2008 the parties entered into a settlement in which Grainger paid \$6 million to the government but did not admit any violations. The “qui tam” action was dismissed in July of 2008.

Grainger is a party to a contract with the United States Postal Service (the “USPS”) which was entered into in 2003 covering the sale of certain Maintenance Repair and Operating Supplies (the “MRO Contract”). The Company received a subpoena dated August 29, 2008, from the USPS Office of Inspector General seeking information about the Company’s pricing compliance under the MRO Contract.

Grainger is also a party to a contract with the USPS entered into in 2001 covering the sale of certain janitorial and custodial items (the “Custodial Contract”). The Company received a subpoena dated June 30, 2009, from the USPS Office of Inspector General seeking information about the Company’s pricing practices and compliance under the Custodial Contract.

The timing and outcome of the GSA and USPS investigations are uncertain and could include settlement or civil litigation. While these matters are not expected to have a material adverse effect on the Company’s financial position, an unfavorable resolution could result in significant payments by the Company. The Company continues to believe that it has complied with each of these contracts in all material respects. For additional information, please see Grainger’s current Form 10-K and Form 10-Q on file with the Security and Exchange Commission.

- 5.1.3. Location(s) of the company offices and location of the office that will provide the services described in this RFP.

Grainger Corporate Headquarters

Lake Forest, Illinois

Branches – Grainger maintains branches in all 50 states. Please see Exhibit 2, Grainger State Fact Sheets and Branch Listings, for further details.

Distribution Centers - Distribution centers are located in Los Angeles, Dallas, Chicago, Kansas City, Memphis, Jacksonville, Cleveland, Greenville, Southaven, Denver, San Jose, Seattle and New Jersey.

- 5.1.4. Number of employees both locally and nationally.

Locally

Grainger employs 59 people in the state of Nevada.

Nationally / Internationally

As of December 31, 2009, Grainger had 18,000 employees, of whom 16,500 were full-time and 1,500 were part-time or temporary. Of these 18,000 employees, 13,000 are employed throughout the United States.

5.1.5. Location(s) from which employees will be assigned.

Employees from Grainger's 400+ branches, located in all 50 states, along with field sales personnel, also located in all 50 states, and contract support personnel, will be assigned and available to work with any awarded WSCA contract and with existing and potential WSCA Members. The potential WSCA contract has all Senior Executives focus and every customer facing representative, both from our Sales division and our Branch network, will be assigned to all aspects of serving this prestigious award.

In addition, Grainger WSCA-dedicated Senior National Government Sales Manager, Doug D'Alessio, will continue to be the main contact for WSCA, working closely with National Program Manager, Amy Morantz.

5.1.6. Name, address and telephone number along with their years of industry experience and years of employment with Proposer's organization for the following personnel that will be overseeing the entire WSCA Contract at the Management Level.

Please see **Exhibit 3** for a listing in Excel of Grainger Government Sales Leadership (tab one) and Government Sales Managers by state (tabs two and three).

- **Dedicated WSCA Contract Management**

Doug D'Alessio, 3691 Industrial Blvd, West Sacramento, CA 95691 Phone: 916.503.0229

Project Leader, 13 years government customer experience, 11 years as a Government Sales Manager, 6 serving as the WSCA Program Manager

Amy Morantz, 2300 East 18th Street, Kansas City, MO 64127 Phone: 816.448.9108

National Program Manager, over 2 years experience developing, driving and implementing key programs.

Mike Dietz, 1657 Shermer Road, Northbrook, IL 60062 Phone: 847.559.6130

Customer Lifecycle Manager, over 8 years experience driving government contract compliance.

Sean Foran, 100 Grainger Parkway, Lake Forest, IL 60045 Phone: 847.535.1000

Consulting Manager, Over 4 years of experience with customer cost savings solutions and eCommerce implementations.

Benjamin Kiefer, 100 Grainger Parkway, Lake Forest, IL 60045 Phone: 847.535.1000

Financial Supervisor, Over 7 years managing financial services and is aligned to Grainger's Government organization.

Richard Moore, 1657 Shermer Road, Northbrook, IL 60062 Phone: 847.559.6198

Implementation Project Manager, 2 years experience implementing Major contracts and programs.

Debbie Lazorishak, 1035 Valley Belt Rd, Brooklyn Heights, OH, Phone: 440.245.9891

Implementation Project Manager, 5 ½ years experience implementing major contracts and programs.

Bill Neal, 9210 Corporation Drive, Indianapolis, IN 46256 Phone: 317.558.0905

Implementation Project Manager, 8 years experience implementing major contracts and programs.

- **Sales and Sales Management**

Please see information below for bios of key government sales personnel.

Vice President, Government Sales

Robert Laughlin
Vice President Government Sales

Has spent his entire career at Grainger:

- Vice President Government Sales – April 2009 - Present
- Regional Sales Vice President – Central in 2007-April 2009
- Director of Government Sales – West (2005-2006)
- District Sales Manager (2001-2004)
- Branch Manager (1998-2001)
- Field Sales (1995-1998)
- Began career in Branch Operations in 1989

**Regional Sales Vice Presidents
(RSVP)**

Gerald Frank
Regional Sales Vice President
Central Region Government Sales

23 years experience with Grainger

- 11 years as an RSVP
- Combined Operations and Sales leadership experience
- The last 5 years leading a Government Region both West and Central
- Part of the leadership team that led the last WSCA, Participating States, and Purchasing Entities bid.

Andrew Guzzon
Regional Sales Vice President
Western Region Government Sales

21 years experience with Grainger

- Regional Sales Vice President - Government
- Director of Sales - Government
- Senior Government Sales Manager
- District Sales Manager - Government
- Government Sales Manager

Section 5
Company Background and References



Mark Hanna

Regional Sales Vice President
Northeast Region Government Sales

16 years experience with Grainger

- Regional Sales Vice President – Government
- Director of Sales - Government
- Branch Services
- Distribution Operations
- Extensive government experience in Federal Contracting (GSA, DLA, DOD)

Ben Nichols

Regional Sales Vice President
Southeast Region Government Sales

13 years experience with Grainger

- Regional Sales Vice President - Government
- Director of Sales - Government
- Senior Government Sales Manager
- District Sales Manager - Government
- Government Sales Manager

Mike Murphy

Regional Sales Vice President
Government Federal Sales

17 years experience with Grainger

- Vice President - Federal Government/Healthcare Sales
- Director of Sales – Federal Government
- Director of Sales – Government
- Senior Government Sales Manager
- District Sales Manager - Government
- Government Sales Manager

Section 5
Company Background and References



Directors

Jeff Collier

Director – Government Sales
Central Region

15 years experience with Grainger

- Director of Sales - Government
- Senior Government Sales Manager
- District Sales Manager - Government
- Government Sales Manager

Andrew Darpino

Director - Government Sales
Northeast Region

13 years with Grainger - Combined Operations and Sales Experience

- Director of Sales - Government
- District Sales Manager – Government
- District Sales Manager – Commercial

Mario Marin

Director - Government Sales
Western Region

5 years experience with Grainger

- Director of Sales - Government
- District Sales Manager – Government
- Senior Government Sales Manager

Mark Snead

Director - Government Sales
Southeast Region

5 years experience with Grainger

- Director of Sales - Government
- District Sales Manager – Government

Section 5
Company Background and References



Tony Van Lennep

Director of Sales – Government
Federal Civilian, Healthcare and Homeland Security

10 years experience with Grainger

- Director of Sales – Federal Government
- Director - Government Sales Operations
- Director - Program Launch
- Senior Government Sales Manager - USPS

David Joyce

Director of Sales - Government

17 years experience with Grainger

- Director of Sales - Government
- District Sales Manager - Government
- Senior Government Sales Manager

Brian Long

Director Sales Operations – Government

17 years experience with Grainger

- Director Sales Operations – Government
- Senior Government Sales Manager
- District Sales Manager – Government
- Branch Manager

Senior National Government Sales Manager - Cooperatives

Sonya Holubowski

Senior National Government Sales Manager - Cooperatives

Experience

15 years with Grainger - Combined Operations and Sales Experience

- Director of Sales - Government
- District Sales Manager – Government

Dedicated WSCA Senior National Government Sales Manager

Doug D'Alessio

Senior National Government Sales Manager - WSCA, Participating States, and Purchasing Entities

Experience

13 years experience with Grainger

- WSCA Program Manager
- Senior Government Sales Manager
- Sales Representative

National Program Manager, Cooperative Contracts

Amy Morantz

National Program Manager, Cooperative Contracts

Experience

5 years experience with Grainger

- National Program Manager, National Cooperatives
- Implementation Program Manager - Government
- Senior Sales Assistant




- **Customer service agents**

Grainger's customer service representatives are available, at a minimum, from 7:00 am to 5:00 pm, Monday through Friday, in all time zones.

WSCA Members can easily access this network of experts through the **WSCA toll free number, 800-WSCA-GWW**. During normal business hours, this toll free number will route customers to their closest branch location. Similarly, customers can place orders, ask questions or seek other assistance through the WSCA dedicated fax number which, again, will route the fax to the closest branch location during normal business hours.

Outside of normal business hours the WSCA dedicated phone and fax numbers will route those inquiries to our national call center in Waterloo, IA, which is available 24 hours a day, 7 days a week. Grainger's national footprint ensures WSCA Members the local customer service they have come to expect in all 50 states as well as the resources they need to answer their questions and solve their problems outside of normal business hours.

Upon contract award, Grainger will activate access to the following WSCA-dedicated customer service team:

-  Phone Number: 800-WSCA-GWW
-  Fax Number: 866-WSCA-GWW
-  Email: WSCA@grainger.com

Section 5 Company Background and References



Please note: The specific contact information above is subject to change but will remain toll free upon award.

- 5.1.7. Company background/history and why proposer is qualified to provide the services described in this RFP.

Company Background

Founded in 1927 and incorporated in the State of Illinois in 1928, W.W. Grainger, Inc. (“Grainger”), with 2009 sales of \$6.2 billion, is the leading North American provider of maintenance, repair, and operating (MRO) supplies and related information to businesses and institutions. Grainger is a publicly held Fortune 500 company with shares traded on the New York and Chicago stock exchanges.

Grainger Industrial Supply, a division of W.W. Grainger, Inc. serves businesses and institutions across the United States through a distribution network of more than 400 branches, located in all 50 states, and supported by 13 distribution centers with a 14th distribution center under construction in Patterson/San Francisco, California, and a 15th opening in Minooka, Illinois. This distribution network represents more than \$1 billion in available inventory.

Grainger is much more than a supplier offering a wide breadth of products and an extremely efficient distribution system. Through the relationships Grainger has developed over the years working directly with WSCA and WSCA Members, Grainger has demonstrated its value by providing WSCA Members with unparalleled service and cost saving solutions. Grainger is dedicated to understanding WSCA Members’ specific needs and working with our General Catalog manufacturers and suppliers to assist WSCA Members with achieving their goals.

Consistently recognized as a leader in the industry, and possessing an innovative approach to servicing customers, Grainger will work diligently to continue providing levels of service that exceed WSCA and WSCA Members’ expectations and support WSCA and WSCA Members in accomplishing their goals.

Throughout this proposal, we have shared Grainger’s substantial offering of products and value-added services, including experienced, cross-functional Implementation Team. This team represents Grainger’s Sales, Operations and eCommerce departments. Grainger has devised, and will continue to devise, customized plans for WSCA Members based upon Grainger’s existing knowledge and needs identified by the individual Member. Each individual Member plan will be aimed at assisting the Member in achieving their unique goals, including, but not limited to, increasing productivity and cost effective inventory management.

- 5.1.8. Length of time proposer has been providing services described in this RFP to the **public and/or private sector**. Please provide a brief description.

Grainger has been a distributor of facilities maintenance products since 1927. Incorporated in 1928, W.W. Grainger, Inc., with 2009 sales of \$6.2 billion, is the leading North American provider of facilities maintenance, repair, and operating (MRO) supplies. Grainger serves both the public and private sector and has a customer base of 1.7 million customers.

Section 5
Company Background and References



5.1.9. Has the proposer ever been engaged under contract by any Participating State?

Yes [] No If "Yes," specify when, for what duties, and for which agency.

Grainger has been proud to serve 39 states, with our current WSCA 7066 for Industrial Supplies and Equipment, Lighting Products, Janitorial Supplies and Equipment. The duties that we performed have been to provide facilities maintenance equipment to Participating States, local governments and educational organizations.

5.1.10. Is the proposer or any of the proposer's employees employed by a Participating States or any of its political subdivisions?

[] Yes **No** If "Yes," is that employee planning to render services while on annual leave, compensatory time, sick leave, or on his own time?

[] Yes **No** If "Yes," is that employee planning to render services while on annual leave, compensatory time, sick leave, or on his own time? **Not applicable**

5.1.11. **Financial information and documentation to be included in Part III of your response in accordance with the Submittal Instructions.**

5.1.11.1. Dun and Bradstreet number

Grainger's Dun and Bradstreet number is 005-10-3494

5.1.11.2. Federal Tax Identification Number

Grainger's Federal Tax Identification Number is 36-1150280

5.1.11.3. The last two - (2) years and current year interim:
Profit and Loss Statement
Balance Statement

Please see **Exhibit 8** for Grainger's 2007, 2008 and 2009 Profit and Loss and Balance Statements.

Current Year Interim

2010 3rd quarter information was released on October 14th and may be viewed online at Grainger.com:

[Grainger/ 2010 3rd Quarter Information](#)

(<http://invest.grainger.com/phoenix.zhtml?c=76754&p=irol-newsArticle&ID=1482620&highlight=>)

Addition financial information may also be found online in Grainger's 2009 Corporate Annual Report:

[Grainger / Investor Relations](#)

(<http://invest.grainger.com/phoenix.zhtml?c=76754&p=irol-irhome>)

5.1.12. Is the proposer currently under litigation in any Participating State? If the answer is yes please briefly describe.

Grainger provides a report from CT Corporation which includes the public record of all litigation to which Grainger has been served through its registered agent CT Corporation and for which Grainger is either a party or interested entity and this report includes all fifty States over the last five years. This report is included in Grainger's **Part III – Confidential Proposal** as **Exhibit 10**. This list includes claims and litigation directed against Grainger or in which Grainger may have an interest either direct or indirect. To the extent additional information is requested we will make every attempt to satisfy all inquiries.

5.1.13. Has the proposer been party to any litigation in the past? If the answer is yes please briefly describe.

Grainger provides a report from CT Corporation which includes the public record of all litigation to which Grainger has been served through its registered agent CT Corporation and for which Grainger is either a party or interested entity and this report includes all fifty States over the last five years. This report is included in Grainger's **Part III – Confidential Proposal** as **Exhibit 10**. This list includes claims and litigation directed against Grainger or in which Grainger may have an interest either direct or indirect. To the extent additional information is requested we will make every attempt to satisfy all inquiries.

5.2. REFERENCES

Proposers shall provide a minimum of three (3) references from similar projects performed for private, state and/or large local government clients within the last three years. **Proposers are required to submit Attachment D, Reference Form to the business references they list. The business references must submit the Reference Form directly to the Purchasing Division.** It is the proposer's responsibility to ensure that completed forms are received by the Purchasing Division on or before the proposal submission deadline for inclusion in the evaluation process. Business References not received, or not complete, may adversely affect the proposer's score in the evaluation process. The Purchasing Division may contact any or all business references for validation of information submitted.

- 5.2.1. Client name;
- 5.2.2. Project description;
- 5.2.3. Project dates (starting and ending);
- 5.2.4. Staff assigned to reference engagement that will be designated for work per this RFP;
- 5.2.5. Client project manager name, telephone number, fax number and e-mail address.

References have been provided by Grainger's customers directly to WSCA, in accordance with the RFP instructions. Grainger has confirmed that the Lead State has received our references by the deadline of October 1, 2010.

Section 6

Subcontractor Information

6. SUBCONTRACTOR INFORMATION

6.1. Does this proposal include the use of subcontractors?

Yes _____ No _____ Unknown XX

If “Yes”, proposer must:

- 6.1.1. Identify specific subcontractors and the specific requirements of this RFP for which each proposed subcontractor will perform services.
- 6.1.2. Provide the same information for any proposed subcontractors as requested in the Primary Proposer Information section.
- 6.1.3. References as specified above must be provided for any proposed subcontractors.
- 6.1.4. The State may require that the awarded proposer provide proof of payment to any subcontractors used for this project. Proposals should include a plan by which, at the State’s request, the State will be notified of such payments.
- 6.1.5. Primary proposer shall not allow any subcontractor to commence work until all insurance required of the subcontractor is provided to the using agency.
- 6.1.6. Primary proposer must notify the using agency of the intended use of any subcontractors not identified within their response and receive agency approval prior to subcontractor commencing work.

Section 7

Pricing

7. **PRICING**

Note: All Pricing Proposals shall be submitted to the State as a separate, sealed package and clearly marked: “Pricing Proposal in Response to RFP No. 1862”, please refer to the Submittal Instructions for further instruction.

[Please see Grainger’s Pricing Proposal in Response to RFP No. 1862.](#)

7.1. The discount percentages as listed below must be in the Pricing Proposal and not be submitted with the Technical or Confidential response. These percentages will be scored in the pricing section only.

7.1.1. Percentage off items not included in the market basket must be listed in the pricing proposal. This percentage may vary by category.

7.1.2. Contract prices represent-ceiling prices for the supplies and services priced in the award(s). The proposer shall report to the Lead State any price reduction or discount, or other more favorable terms, offered to any Purchasing Entity, and the awarded proposer agrees to negotiate in good faith to reestablish ceiling prices or other more favorable terms and conditions applicable to future orders.

7.1.3. Proposers must provide detailed fixed prices for all items listed in the market basket categories in the Pricing Proposal section of this RFP.

Section 8

Payment

8. PAYMENT

8.1. Payment for the contracted service will be within 45 days upon receipt of invoice and the using agency's approval. No interest on overdue payments may be charged.

Acknowledged

8.2. Invoices are to be submitted per order.

Acknowledged

8.3. Proposers may propose an alternative payment option; alternative payment options must be listed on Attachment B of the RFP. Alternative payment options will be considered if deemed in the best interest of WSCA. The State does not issue payment prior to receipt of goods or services.

Acknowledged

Section 9

Submittal Instructions

9. SUBMITTAL INSTRUCTIONS

9.1. A pre-proposal submission conference will be held as listed in the time line below. The location of the conference will be Reno, Nevada. Vendors will be requested to register for the conference (Attachment J) and will be advised of the address and time via an amendment on or before September 1, 2010. In addition to this pre-proposal submission conference, the Nevada Purchasing Division will accept questions and/or comments in writing as described below.

The deadline for submitting questions is September 16, 2010 at 5:00 p.m., Pacific Time. All questions and/or comments will be addressed in writing and responses e-mailed or faxed to prospective proposers on or about September 22, 2010 at 5:00 p.m.

The RFP Question Submittal Form is located on the Services RFP/RFQ Opportunities webpage at <http://purchasing.state.nv.us/services/sdocs.htm>. Select this RFP number and the “Question” link.

9.2. RFP Timeline

<i>TASK</i>	<i>DATE/TIME</i>
Pre-proposal submission conference in Reno, NV p.m.	September 8, 2010 @ 1:00
Deadline for submitting questions	September 16, 2010 @ 5:00 p.m.
Answers to all questions submitted available on/about	September 22, 2010 @ 5:00 p.m.
Deadline for submittal of Reference Questionnaires	October 1, 2010 @ 5:00 p.m.
<u>Deadline for submission and opening of proposals</u>	<u>October 7, 2010 @ 2:00 p.m.</u>
Evaluation period	October 10, 2010 thru November 4, 2010
Letter(s) of Intent issued	November 17, 2010
Award(s) issued	November 29, 2010
Contract(s) Start Date	January 1, 2011

NOTE: These dates represent a tentative schedule of events. The State reserves the right to modify these dates at any time.

9.3. Proposal submission requirements:

9.3.1. Proposers shall submit their response in three (3) parts as designated below:

Part I: Technical Proposal

One (1) original marked “MASTER” - sent to Nevada State Purchasing.

Six (6) identical copies. One (1) each of these copies to be sent to the sourcing team listed in Section 9.3.3

Six (6) copies sent to Nevada State Purchasing

One (1) identical copy on CD (**Note:** CD must be labeled accordingly and in a case.) sent to Nevada State Purchasing.

THE TECHNICAL PROPOSAL MUST INCLUDE A SEPARATE TAB/SECTION LABELED “**STATE DOCUMENTS**” WHICH SHALL INCLUDE:

- Page 1 of RFP
- All Amendments to the RFP
- All Attachments requiring signature
- Certificate of Insurance

Technical Proposal must not include pricing or confidential information.

Technical Proposal shall be submitted to the State in a sealed package and be clearly marked:

“Technical Proposal in Response to RFP No.1862”

Part II: Pricing Proposal:

One (1) original marked “MASTER” send to Nevada State Purchasing.

Twelve (12) identical copies all sent to Nevada State Purchasing.

One (1) identical copy on CD (**Note:** CD must be labeled accordingly and in a case.) sent to Nevada State Purchasing.

One (1) copy of your catalog. Please provide a link to your web based catalog (preferable) or catalog on CD.

Pricing Proposal shall be submitted to the State in a sealed package and be clearly marked:

“Pricing Proposal in Response to RFP No. 1862”

Part III: Confidential Information:

One (1) original marked “MASTER” sent to Nevada State Purchasing.

One (1) identical copy sent to Nevada State Purchasing.

One (1) identical copy on CD (**Note:** CD must be labeled accordingly and in a case.) sent to Nevada State Purchasing.

Confidential Information shall be submitted to the State in a sealed package and be clearly marked:

“Confidential Information in Response to RFP No. 1862”

If the separately sealed proposal, marked as required above, is enclosed in another container for mailing purposes, the outermost container must fully describe the contents of the package and be clearly marked:

REQUEST FOR PROPOSAL NO.: 1862

PROPOSAL OPENING DATE: October 7, 2010

**FOR: A Multi-state Contract for Facilities Maintenance,
Lighting Products, Industrial Supplies and Tools**

9.3.2. **Proposal must be received at the address referenced below no later than 2:00 p.m. Pacific Time, October 7, 2010.** Proposals that do not arrive by proposal opening time and date **WILL NOT BE ACCEPTED**. Proposers may submit their proposal any time prior to the above stated deadline.

9.3.3. **One copy of each Technical Proposal (Part I) shall be submitted to:**

Attention: Larry Thacker
State of Utah, Division of Purchasing and General Services
3150 State Office Building
Salt Lake City, UT 84114

PMB 01231
Attn. Andy Mobley
South Dakota Office of Procurement Management
523 E. Capitol Ave
Pierre, SD 57501-3182

Attn: Ted Fosket
State of Alaska, Department of Administration
Division of General Services
333 Willoughby Avenue
7th Floor State Office Building

Section 9
Submittal Instructions



Juneau, AK 99811

Attn: Lee Costley
State of Arkansas, Office of State Procurement
1509 w 7th street, 3rd floor
Little Rock, Ar. 72201

Attn: Bill Bolliger
State of Oregon Procurement Office
1225 Ferry Street SE, U140
Salem, OR 97301-4285

Tony DeLuca
State of Connecticut, Procurement Programs and Services
165 Capitol Avenue
Hartford, Conn. 06106

The remaining copies documents as listed in Section 9.3.1 shall be sent to the State of Nevada, Purchasing Division.

Attn: Gail Burchett, Purchasing Officer
515 E. Musser Street, Ste. 300
Carson City, NV 89701

- 9.4. The State will not be held responsible for proposal envelopes mishandled as a result of the envelope not being properly prepared. Facsimile, e-mail or telephone proposals will **NOT** be considered; however, at the State's discretion, the proposal may be submitted all or in part on electronic media, as requested within the RFP document. Proposal may be modified by facsimile; e-mail or written notice provided such notice is received prior to the opening of the proposals.
- 9.5. Although it is a public opening, only the names of the proposers submitting proposals will be announced NRS §333.335(6). Technical and pricing details about proposals submitted will not be disclosed. Assistance for handicapped, blind or hearing-impaired persons who wish to attend the RFP opening is available. If special arrangements are necessary, please notify the Purchasing Division designee as soon as possible and at least two days in advance of the opening.
- 9.6. If discrepancies are found between two or more copies of the proposal, the master copy will provide the basis for resolving such discrepancies. If one copy of the proposal is not clearly marked "MASTER," the State may reject the proposal. However, the State may at its sole option, select one copy to be used as the master.

Section 9
Submittal Instructions



- 9.7. For ease of evaluation, the proposal should be presented in a format that corresponds to and references sections outlined within this RFP and should be presented in the same order. Responses to each section and subsection should be labeled so as to indicate which item is being addressed. Exceptions to this will be considered during the evaluation process.
- 9.8. If complete responses cannot be provided without referencing confidential information, such confidential information must be provided in accordance with submittal instructions and specific references made to the tab, page, section and/or paragraph where the confidential information can be located.
- 9.9. Proposals are to be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials, etc., are not necessary or desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.
- 9.10. Descriptions on how any and all equipment and/or services will be used to meet the requirements of this RFP shall be given, in detail, along with any additional information documents that are appropriately marked.
- 9.11. The proposal must be signed by the individual(s) legally authorized to bind the proposer, see NRS §333.337.
- 9.12. For ease of responding to the RFP, proposers are encouraged, but not required, to request an electronic copy of the RFP. Electronic copies are available in the following formats: Word 2003 via e-mail, CD, or on the State Purchasing Division's website in PDF or Word format at <http://purchasing.state.nv.us>. When requesting an RFP via e-mail or diskette, proposers should contact the Purchasing Division for assistance. In the event proposers choose to receive the RFP on CD, the proposer will be responsible for providing a blank CD; unless proposers provide a Federal Express, DHL, etc. account number and appropriate return materials, the CD will be returned by first class U.S. mail.
- 9.13. Proposers utilizing an electronic copy of the RFP in order to prepare their proposal should place their written response in *an easily distinguishable font* immediately following the applicable question.
- 9.14. ***For purposes of addressing questions concerning this RFP, the sole contact will be the Purchasing Division. Upon issuance of this RFP, other employees and representatives of the agencies identified in the RFP will not answer questions or otherwise discuss the contents of this RFP with any prospective proposers or their representatives. Failure to observe this restriction may result in disqualification of any subsequent proposal NAC §333.155(3).*** This restriction

does not preclude discussions between affected parties for the purpose of conducting business unrelated to this procurement.

- 9.15. Proposer who believes proposal requirements or specifications are unnecessarily restrictive or limit competition may submit a request for administrative review, in writing, to the Purchasing Division. To be considered, a request for review must be **received** no later than the deadline for submission of questions.

The Purchasing Division shall promptly respond in writing to each written review request, and where appropriate, issue all revisions, substitutions or clarifications through a written amendment to the RFP.

Administrative review of technical or contractual requirements shall include the reason for the request, supported by factual information, and any proposed changes to the requirements.

- 9.16. If a proposer changes any material RFP language, proposer's response may be deemed non-responsive. NRS §333.311.
- 9.17. Proposers are cautioned that some services may contain licensing requirement(s). Proposers shall be proactive in verification of these requirements prior to proposal submittal. Proposals, which do not contain the requisite licensure, may be deemed non-responsive. However, this does not negate any applicable Nevada Revised Statute (NRS) requirements.

Section 10

Proposal Evaluation and Award Process

10. PROPOSAL EVALUATION AND AWARD PROCESS

10.1. Proposals that are determined to meet the mandatory section of this RFP shall be evaluated and scored in accordance with NRS §333.335(3) based upon the following criteria listed below in no particular order.

- Experience in performance of comparable engagements/References;
- Conformance with the terms of this RFP;
- Expertise and availability of key personnel;
- Return Policy;
- Distribution points;
- Delivery;
- Shipping;
- Reporting Capabilities;
- Contract Management;
- Disaster Recovery Plan;
- ESB/MBE& WBE Programs;
- Retail Store/Will Call Availability;
- Growth Incentives;
- Reasonableness of pricing;
- Range of commodities offered;
- Scope of geographical coverage offered;
- The States' judgments concerning the proposer's capability to meet demand within the proposed geographical area;
- Web based ordering System;
- The quality and availability of recycling or environmental conservation programs;
- The marking/identification of green products in the online catalog when applicable;
- The favorability of the terms under which the proposer will do business;
- Other criteria as may be listed in the "Desirables" Section Four of this proposal; and
- Other proposer programs, capabilities, and product characteristics judged to provide additional value or administrative pricing savings to the Participating States.

Note: Financial stability will be scored on a pass/fail basis

Proposals shall be kept confidential until a contract is awarded.

The evaluation committee may also contact the references provided in response to the Section identified as Company Background and References; contact any proposer to clarify any response; contact any current users of a proposer's services; solicit

information from any available source concerning any aspect of a proposal; and seek and review any other information deemed pertinent to the evaluation process.

- 10.2. Each proposer must include in its proposal a complete disclosure of any alleged significant prior or ongoing contract failures, contract breaches, any civil or criminal litigation or investigations pending which involves the proposer or in which the proposer has been judged guilty or liable. Failure to comply with the terms of this provision may disqualify any proposal. The State reserves the right to reject any proposal based upon the proposer's prior history with the State or with any other party, which documents, without limitation, unsatisfactory performance, adversarial or contentious demeanor, significant failure(s) to meet contract milestones or other contractual failures. See generally, NRS §333.335.

As disclosed in the public record in our SEC filings, Grainger received a letter in December 2007 from the Commercial Litigation Branch of the Civil Division of the Department of Justice (DOJ) regarding Grainger's contract with the General Services Administration (GSA) alleging that Grainger had not complied with its disclosure obligations and the contract's pricing provisions, and had potentially overcharged the government customers under the contract. Discussions relating to the Grainger's compliance with its disclosure obligations and the contracts pricing provisions are ongoing with the DOJ.

Additionally, the government intervened in a previously filed civil "qui tam" action alleging non-compliance with the pricing provisions for "sourced" items under the contract and with the country of origin provision of the Trade Agreement Act. In July, 2008 the parties entered into a settlement in which Grainger paid \$6 million to the government but did not admit any violations. The "qui tam" action was dismissed in July of 2008.

Grainger is a party to a contract with the United States Postal Service (the "USPS") which was entered into in 2003 covering the sale of certain Maintenance Repair and Operating Supplies (the "MRO Contract"). The Company received a subpoena dated August 29, 2008, from the USPS Office of Inspector General seeking information about the Company's pricing compliance under the MRO Contract.

Grainger is also a party to a contract with the USPS entered into in 2001 covering the sale of certain janitorial and custodial items (the "Custodial Contract"). The Company received a subpoena dated June 30, 2009, from the USPS Office of Inspector General seeking information about the Company's pricing practices and compliance under the Custodial Contract.

The timing and outcome of the GSA and USPS investigations are uncertain and could include settlement or civil litigation. While these matters are not expected to have a material adverse effect on the Company's financial position, an unfavorable resolution could result in significant payments by the Company. The Company continues to believe that it has complied with each of these contracts in all material respects. For additional information, please see Grainger's current Form 10-K and Form 10-Q on file with the Security and Exchange Commission.

- 10.3. Clarification discussions may, at the State's sole option, be conducted with proposers who submit proposals determined to be acceptable and competitive NAC §333.165. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussion and/or written revisions of proposals. Such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no

Section 10
Proposal Evaluation and Award Process



disclosure of any information derived from proposals submitted by competing proposers.

- 10.4. A Notification of Intent to Award shall be issued in accordance with NAC §333.170. Any award is contingent upon the successful negotiation of final contract terms and upon approval of the Board of Examiners, when required. Negotiations shall be confidential and not subject to disclosure to competing proposers unless and until an agreement is reached. If contract negotiations cannot be concluded successfully, the State upon written notice to all proposers may negotiate a contract with the next highest scoring proposer or withdraw the RFP.

- 10.5. Any contract resulting from this RFP shall not be effective unless and until approved by the Nevada State Board of Examiners (NRS 284.173).

Section 11
Terms, Conditions and Exceptions

11. TERMS, CONDITIONS AND EXCEPTIONS

- 11.1. Performance of proposers will be rated semi-annually following contract award and then annually for the term of the contract by the using State agency in six categories: customer service; timeliness; quality; technology; flexibility; and pricing. Proposers will be notified in writing of their rating.
- 11.2. This procurement is being conducted in accordance with NRS chapter 333 and NAC chapter 333.
- 11.3. The State reserves the right to alter, amend, or modify any provisions of this RFP, or to withdraw this RFP, at any time prior to the award of a contract pursuant hereto, if it is in the best interest of the State to do so.
- 11.4. The State reserves the right to waive informalities and minor irregularities in proposals received.
- 11.5. The State reserves the right to reject any or all proposals received prior to contract award (NRS §333.350).
- 11.6. The State shall not be obligated to accept the lowest priced proposal, but will make an award in the best interests of the State of Nevada after all factors have been evaluated (NRS §333.335).
- 11.7. Any irregularities or lack of clarity in the RFP should be brought to the Purchasing Division designee's attention as soon as possible so that corrective addenda may be furnished to prospective proposers.
- 11.8. Proposals must include any and all proposed terms and conditions, including, without limitation, written warranties, maintenance/service agreements, license agreements, lease purchase agreements and the proposer's standard contract language. The omission of these documents renders a proposal non-responsive.

Grainger proposes additional terms and conditions that apply to Grainger's Sourcing offering covered in Section 3.5, and Grainger also provides its Warranty terms and will look to include these in any negotiations.

Terms and Conditions for Sourced Product

Sourcing Services

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

Section 11 Terms, Conditions and Exceptions



Pricing

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

Warranty

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

Warranty Disclaimer

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

WARRANTY DISCLAIMER. GRAINGER SHALL HAVE NO LIABILITY FOR, AND EXPRESSLY DISCLAIMS ANY WARRANTY OR AFFIRMATION OF FACT, EXPRESS OR IMPLIED, OTHER THAN AS SET FORTH IN THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION (I) THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE; (II) ANY WARRANTY OR AFFIRMATION OF FACT RELATED TO MISUSE, IMPROPER SELECTION, RECOMMENDATION, OR MISAPPLICATION OF ANY PRODUCT; AND (III) ANY WARRANTY OR AFFIRMATION OF FACT THAT THE CATALOGS, LITERATURE AND WEBSITES IT PROVIDES ACCURATELY ILLUSTRATE AND DESCRIBE PRODUCTS.

LIMITATION OF LIABILITY. ANY LIABILITY FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES IS EXPRESSLY DISCLAIMED. GRAINGER'S LIABILITY IN ALL EVENTS SHALL NOT EXCEED THE PURCHASE PRICE PAID FOR THE PRODUCT THAT GIVES RISE TO ANY LIABILITY. GRAINGER'S PAYMENT OF SUCH AMOUNT SHALL BE THE FINAL AND EXCLUSIVE REMEDY IN THE EXHAUSTION OR UNAVAILABILITY OF ANY OTHER REMEDY SPECIFIED HEREIN AND SHALL NOT BE CONSTRUED OR ALLEGED BY CUSTOMER TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

Returns

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

Stocking Sourced Product

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

GRAINGER LIMITED WARRANTY

LIMITED WARRANTY. ALL PRODUCTS SOLD ARE WARRANTED BY GRAINGER ONLY TO CUSTOMERS FOR RESALE OR FOR USE IN BUSINESS OR ORIGINAL EQUIPMENT MANUFACTURE, AGAINST DEFECTS IN WORKMANSHIP OR MATERIALS UNDER NORMAL USE FOR ONE YEAR AFTER DATE OF PURCHASE FROM GRAINGER, UNLESS OTHERWISE STATED. ANY PART WHICH IS DETERMINED BY GRAINGER TO BE DEFECTIVE IN MATERIAL OR WORKMANSHIP AND RETURNED TO A GRAINGER BRANCH OR AUTHORIZED SERVICE LOCATION, AS GRAINGER DESIGNATES, SHIPPING COSTS PREPAID, WILL BE, AS THE EXCLUSIVE REMEDY, REPAIRED OR REPLACED AT GRAINGER'S OPTION.

Section 11
Terms, Conditions and Exceptions



WARRANTY DISCLAIMER. NO WARRANTY OR AFFIRMATION OF FACT, EXPRESS OR IMPLIED, OTHER THAN AS SET FORTH IN THE LIMITED WARRANTY STATEMENT ABOVE IS MADE OR AUTHORIZED BY GRAINGER. GRAINGER DISCLAIMS ANY LIABILITY FOR PRODUCT DEFECT CLAIMS THAT ARE DUE TO PRODUCT MISUSE, IMPROPER PRODUCT SELECTION OR MISAPPLICATION, AND ANY DESCRIPTION DOES NOT EXPRESS OR IMPLY A WARRANTY THAT THE PRODUCTS ARE MERCHANTABLE OR FIT FOR A PARTICULAR PURPOSE.

LIMITATION OF LIABILITY. ANY LIABILITY FOR CONSEQUENTIAL AND INCIDENTAL DAMAGES IS EXPRESSLY DISCLAIMED. GRAINGER'S LIABILITY IN ALL EVENTS IS LIMITED TO, AND SHALL NOT EXCEED. THE PURCHASE PRICE PAID.

Prompt Disposition.

Grainger will make a good faith effort for prompt correction or other adjustment with respect to any product, which proves to be defective within warranty period. Before returning any product, write or call the Grainger branch from which the product was purchased, giving date and number of original invoice, and describing defect.

Product Suitability.

Many states and localities have codes and regulations governing sales, construction, installation, and/or use of products for certain purposes, which may vary from those in neighboring areas. While Grainger attempts to assure that its products comply with such codes, it cannot guarantee compliance, and cannot be responsible for how the product is installed or used. Before purchase and use of a product, please review the product application, and national and local codes and regulations, to be sure that the product, installation, and use will comply with them.

No Warranties to Consumers.

Grainger makes no warranties to those defined as consumers in the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act.

Electronic and Photographic Cleaning Fluids Customers.

It is a violation of federal law to sell, distribute, or offer to sell or distribute any chlorofluorocarbon or aerosol hydrochlorofluorocarbon containing cleaning fluid for electronic and photographic equipment to anyone who is not a commercial user of this product. The penalty for violating this prohibition can be up to \$25,000 per sale. Individuals purchasing such products must present proof of their commercial status in accordance with 40 CFR 82.68(a) or (c).

A "Commercial User," as defined in the regulation, means a person that uses the product in the purchaser's business, or sells it to another person and has one of the following identification numbers: Federal employer identification number; State sales tax exemption number; Local business license number; Government contract number.

Refrigerant Customers.

Effective November 14, 1994, in accordance with the Federal Clean Air Act, sale of Class 1 (CFC) and Class 2 (HCFC) refrigerant will be restricted to resale purchases and/or to certified professional service technicians. To purchase regulated refrigerant products, all customers must present a certification card or sign a statement of resale to complete the purchase.

OSHA Hazardous Substance & California Proposition 65 Product Information.

Material Safety Data Sheets (MSDS) for OSHA defined hazardous substances and a list of products known by the state of California to cause cancer or reproductive harm are available at your local Grainger branch, or by contacting Grainger, Dept. B2.C8, 100 Grainger Parkway, Lake Forest, IL 60045-5201 U.S.A. The information and recommendations contained on the MSDS supplied by the manufacturer are

Section 11
Terms, Conditions and Exceptions



considered to be accurate and reliable. Grainger, however, makes no warranty with respect to the accuracy of the information or the suitability of the recommendations. Grainger disclaims any and all liability to any user.

- 11.9. Alterations, modifications or variations to a proposal may not be considered unless authorized by the RFP or by addendum or amendment.
- 11.10. Proposals, which appear unrealistic in the terms of technical commitments, lack of technical competence, or are indicative of failure to comprehend the complexity and risk of this contract, may be rejected.
- 11.11. Proposals from employees of the State of Nevada will be considered in as much as they do not conflict with the State Administrative Manual, NRS Chapter §281 and NRS Chapter §284.
- 11.12. Proposals may be withdrawn by written or facsimile notice received prior to the proposal opening time. Withdrawals received after the proposal opening time will not be considered except as authorized by NRS §333.350(3).
- 11.13. The price and amount of this proposal must have been arrived at independently and without consultation, communication, agreement or disclosure with or to any other contractor, proposer or prospective proposer. Collaboration among competing proposers about potential proposals submitted pursuant to this RFP is prohibited and may disqualify the proposer.
- 11.14. No attempt may be made at any time to induce any firm or person to refrain from submitting a proposal or to submit any intentionally high or noncompetitive proposal. All proposals must be made in good faith and without collusion.
- 11.15. Prices offered by proposers in their proposals are an irrevocable offer for the term of the contract and any contract extensions. The awarded proposer agrees to provide the purchased services at the pricings, rates and fees as set forth in their proposal in response to this RFP. No other pricings, rates or fees shall be payable to the awarded proposer for implementation of their proposal.
- 11.16. The State is not liable for any pricings incurred by proposers prior to entering into a formal contract. Pricings of developing the proposal or any other such expenses incurred by the proposer in responding to the RFP, are entirely the responsibility of the proposer, and shall not be reimbursed in any manner by the State.
- 11.17. All proposals submitted become the property of the State, selection or rejection does not affect this right; proposals will be returned only at the State's option and at the proposer's request and expense. The master Technical Proposal, the master Pricing Proposal and Confidential Information of each response shall be retained for official files. Only the master technical and master pricing will become public record after the award of a contract. The failure to separately package and clearly

mark Part III – which contains Confidential Information, Trade Secrets and/or Proprietary Information, shall constitute a complete waiver of any and all claims for damages caused by release of the information by the State.

- 11.18. A proposal submitted in response to this RFP must identify any subcontractors, and outline the contractual relationship between the awarded proposer and each subcontractor. An official of each proposed subcontractor must sign, and include as part of the proposal submitted in response to this RFP, a statement to the effect that the subcontractor has read and will agree to a proposal by the awarded proposer's obligations.
- 11.19. The awarded proposer will be the sole point of contract responsibility. The State will look solely to the awarded proposer for the performance of all contractual obligations which may result from an award based on this RFP, and the awarded proposer shall not be relieved for the non-performance of any or all subcontractors.
- 11.20. The awarded proposer must maintain, for the duration of its contract, insurance coverages as set forth in the Insurance Schedule of the contract form appended to this RFP. Work on the contract shall not begin until after the awarded proposer has submitted acceptable evidence of the required insurance coverages. Failure to maintain any required insurance coverage or acceptable alternative method of insurance will be deemed a breach of contract.

Notwithstanding any other requirement of this section, the State reserves the right to consider reasonable alternative methods of insuring the contract in lieu of the insurance policies required by the below-stated Insurance Schedule. It will be the awarded proposer's responsibility to recommend to the State alternative methods of insuring the contract. Any alternatives proposed by a proposer should be accompanied by a detailed explanation regarding the proposer's inability to obtain insurance coverage as described below. The State shall be the sole and final judge as to the adequacy of any substitute form of insurance coverage.

- 11.21. Each proposer must disclose any existing or potential conflict of interest relative to the performance of the contractual services resulting from this RFP. Any such relationship that might be perceived or represented as a conflict should be disclosed. By submitting a proposal in response to this RFP, proposers affirm that they have not given, nor intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this procurement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest will automatically result in the disqualification of a proposer's proposal. An award will not be made where a conflict of interest exists. The State will determine whether a conflict of interest exists and whether it may reflect negatively on the State's selection of a proposer.

Section 11
Terms, Conditions and Exceptions



The State reserves the right to disqualify any proposer on the grounds of actual or apparent conflict of interest.

- 11.22. The State will not be liable for Federal, State, or Local excise taxes NRS §372.325.
- 11.23. Attachment B of this RFP shall constitute an agreement to all terms and conditions specified in the RFP, including, without limitation, the Attachment C contract form and all terms and conditions therein, except such terms and conditions that the proposer expressly excludes. Exceptions will be taken into consideration as part of the evaluation process.
- 11.24. The State reserves the right to negotiate final contract terms with any proposer selected NAC §333.170. The contract between the parties will consist of the RFP together with any modifications thereto, and the awarded proposer's proposal, together with any modifications and clarifications thereto that are submitted at the request of the State during the evaluation and negotiation process. In the event of any conflict or contradiction between or among these documents, the documents shall control in the following order of precedence: the final executed contract, the RFP, any modifications and clarifications to the awarded proposer's proposal, and the awarded proposer's proposal. Specific exceptions to this general rule may be noted in the final executed contract.
- 11.25. Proposer understands and acknowledges that the representations above are material and important, and will be relied on by the State in evaluation of the proposal. Any proposer misrepresentation shall be treated as fraudulent concealment from the State of the true facts relating to the proposal.
- 11.26. No announcement concerning the award of a contract as a result of this RFP can be made without the prior written approval of the State.
- 11.27. The Nevada Attorney General will not render any type of legal opinion regarding this transaction.
- 11.28. Any unsuccessful proposer may file an appeal in strict compliance with NRS 333.370 and chapter 333 of the Nevada Administrative Code.
- 11.29. Local governments (as defined in NRS §332.015) are intended third party beneficiaries of any contract resulting from this RFP and any local government may join or use any contract resulting from this RFP subject to all terms and conditions thereof pursuant to NRS §332.195. The State is not liable for the obligations of any local government which joins or uses any contract resulting from this RFP.

Section 11
Terms, Conditions and Exceptions



- 11.30. Any person who requests or receives a Federal contract, grant, loan or cooperative agreement shall file with the using agency a certification that the person making the declaration has not made, and will not make, any payment prohibited by subsection (a) of 31 U.S.C. §1352.
- 11.31. In accordance with SB395, the State of Nevada, Purchasing Division shall require the purchase of new appliances, equipment, lighting and other devices that use electricity, natural gas, propane or oil, have received the Energy Star label pursuant to the program established pursuant to 42 U.S.C. 6294a or its successor, or meet the requirements established pursuant to 48 C.F.R. 23.203. These standards do not apply insofar as: (a) No items in a given class have been evaluated to determine whether they are eligible to receive the Energy Star label or have been designated by the Federal Government to meet the requirements established pursuant to 48 C.F.R. 23.302 or (b) The purchase of these items that have received the Energy Star label would not be pricing-effective in an individual instance, comparing the pricing of the items to the pricing of the amount of energy that will be saved over the useful life of the item.

(The remainder of this page is intentionally left blank)

Section 12

Submission Checklist

12. SUBMISSION CHECKLIST

This checklist is provided for proposer’s convenience only and identifies documents that must be submitted with each package in order to be considered responsive. Any proposals received without these requisite documents may be deemed non-responsive and not considered for contract award.

Part I: Completed

- 1. Required number of Technical proposals (per Submittal Instructions) _____
- 2. **Required Forms to be submitted with technical proposal under section/tab labeled “State Documents”;** _____
 - a. Page 1 of the RFP completed _____
 - b. All Amendments completed and signed _____
 - c. Primary Proposer Attachments A & B signed _____
 - d. Subcontractor Attachment A & B signed (if applicable) _____
 - e. Primary Proposer Information provided _____
 - f. Subcontractor Information provided (if applicable) _____
 - g. Certificate of Insurance _____
 - h. (other) _____

Part II:

- 1. Required number of Pricing proposals (per Submittal Instructions) _____
- 2. (other) _____

Part III:

- 1. Required number of Confidential Information (per Submittal Instructions and defined in Acronyms/Definitions) _____
- 2. Financial Information _____

REMINDERS:

- 1. Send out Reference forms for Primary Proposer (with Part A completed) _____
- 2. Send out Reference forms for Subcontractors (with Part A completed) (if applicable) _____

Section Thirteen

State Documents

- 1. Page 1 of the RFP completed**
- 2. All Amendments completed and signed**
- 3. Primary Proposer Attachments A & B signed**
- 4. Subcontractor Attachment A & B signed (if applicable)**
- 5. Primary Proposer Information provided**
- 6. Subcontractor Information provided (if applicable)**
- 7. Certificate of Insurance**

The Nevada Division of Purchasing
Request for Proposal No. 1862
on behalf of the Western States Contracting Alliance (WSCA)
For

**A MULTI-STATE CONTRACT FOR FACILITIES MAINTENANCE,
LIGHTING PRODUCTS, INDUSTRIAL SUPPLIES AND TOOLS**

Release Date: August 20, 2010
Deadline for Submission and Opening Date and Time:
October 7, 2010 @ 2:00 p.m.

For additional information, please contact:
Gail Burchett, Purchasing Officer
gburchet@purchasing.state.nv.us
(775) 684-0170
(TTY for the Deaf and Hard of Hearing: 1-800-326-6868.
Ask the relay agent to dial 1-775-684-0170/V.)

Contact Information

This document must be submitted in the "State Documents"
section/tab of proposers' technical proposal

See Page 19, for instructions on submitting proposals.

Company Name [W.W. Grainger, Inc.](#)

Address [100 Grainger Parkway](#) City [Lake Forest](#) State [IL](#) Zip [60045](#)

Telephone [\(916\) 503-0229](#) Fax [\(916\) 471-0515](#)

E-Mail Address: doug.m.d'alessio@grainger.com

Prices contained in this proposal are subject to acceptance within [130](#) calendar days.

Contact Person _____

Print Name & Title [Doug D'Alessio, Sr. Government Sales Manager, WSCA Program Manager](#)

Amendments 1, 2 and 3

State of Nevada
Department of Administration
Purchasing Division
515 E. Musser Street, Suite 300
Carson City, NV 89701



Jim Gibbons
Governor

Greg Smith
Administrator

SUBJECT: Amendment No. 1 to Request for Proposal No. 1862

DATE OF AMENDMENT: September 2, 2010

DATE OF RFP RELEASE: August 20, 2010

DATE AND TIME OF OPENING: October 7, 2010 @ 2:00 p.m.

AGENCY CONTACT: Gail Burchett, Purchasing Officer

The following shall be a part of RFP No. **1862** for ***A Multi-State contract for Facilities Maintenance, Lighting Products, Industrial Supplies and Tools.*** If a vendor has already returned a proposal and any of the information provided below changes that proposal, please submit the changes along with this amendment. You need not re-submit an entire proposal prior to the opening date and time.

Pre-Proposal Conference/Meeting information and form below:

Grand Sierra Resort
Sierra Room, Mezzanine Level
2500 East Second Street
Reno, Nevada 89595

Meeting Date: September 8, 2010
Registration time: 1:00 p.m.
Meeting time: 2:00 p.m. to approximately 5:00 p.m.


ATTENDANCE
FORM.doc

ALL ELSE REMAINS THE SAME FOR RFP 1862

Vendor shall sign and return this amendment with proposal submitted.

NAME OF VENDOR _____

AUTHORIZED SIGNATURE _____

TITLE _____ DATE _____

RFP 1862 Amendment #1

This document must be submitted in the "State Documents" section/tab of vendors' technical proposal



SUBJECT: Amendment No. 2 to Request for Proposal No. 1862

DATE OF AMENDMENT: September 29, 2010

DATE OF RFP RELEASE: August 20, 2010

DATE AND TIME OF OPENING: ~~October 7, 2010 @ 2:00 p.m.~~

AGENCY CONTACT: Gail Burchett, Purchasing Officer

The following shall be a part of RFP No. **1862** for ***A Multi-State contract for Facilities Maintenance, Lighting Products, Industrial Supplies and Tools.*** If a vendor has already returned a proposal and any of the information provided below changes that proposal, please submit the changes along with this amendment. You need not re-submit an entire proposal prior to the opening date and time.

Section I. Timeline Change:

The opening date/ final day and time for response submittal, shall be **October 20, 2010 @ 2:00 p.m.**

Section II: Additional State Intent to Participate:

The State of Oregon has signed an "Intent to Participate" document for this procurement.

Section III: Addition Terms and Conditions:

The following are the unique terms and conditions for the State of Connecticut.

Section IV: Questions and Answers:

1. You refer to an excel file included, but I found no evidence. Only the overview and Industrial Supplies docs. Please email or publish.

The excel spread sheet was embedded in the document however, a revised excel spreadsheet with market basket manufacturer part numbers corrected as needed will be released in this amendment. Please see the embedded document at the end of this amendment.

2. Could you provide the sample proposal let us reference? Because we are first time to apply this project so please assist us to process this proposal.

No.

3. Do the lighting products include pre-stressed concrete poles?

No the lighting products section of the market basket does not contain pre-stressed concrete poles, however, if this item is part of an awardees' catalog it may be sold to an end user as part of the balance of the line offering in that vendor's contract.

4. On the Excel file for item pricing. The tab marked Fasteners, all the items in category column marked Packaging & Shipping do not match up. For example: 4VZ56 is a tarp like the description says, but 3M 398 is masking tape. 4DV39 is a wire rope clip as description, but 6BU52 is a cardboard box. All of these marked as Packaging & shipping are this way. I spot check some on other tabs and categories and this is the only problem area. A lot of the manufacture numbers are for tape and boxes, but there is no tape or boxes by description in this section. I don't know if you need to visit this tab or use the Grainger number or the manufactures numbers.

The corrected excel spreadsheet is embedded at the end of this document.

5. There is another section in the spreadsheet where Grainger numbers and manufactures part numbers are totally different. On the lamps ballast and fixture tab, the items in the column marked lamps are the ones that are not matching. Example 5XP45 is a 31 watt U tube lamp, Manufactures number is a 54 watt high output 8ft lamp

The corrected excel spreadsheet is embedded at the end of this document.

6. How can I know if our product would be used on any one project?

Should your company be awarded a contract, there is no guarantee of sales.

7. Can all communication be done electronically?

No. Communication regarding this procurement shall be as stated in RFP # 1862 only.

8. This solicitation includes Security products. However, there are no line items for "book detection systems" installed in public, school or university libraries. Will you consider adding these items to this solicitation? Or is there another purchasing vehicle available for these products?

No, we will not add these items, however if they are items listed in an awardees' catalog, they will be available under this contract.

9. Is the current WSCA contract due to expire, available for review by the public? If so, how can we obtain a copy?

Yes, please send an email to gburchet@purchasing.state.nv.us and I will respond by sending you our Public Information Request form. After this form is returned to Nevada State Purchasing, I will make the contract available via email or disc to you.

10. In the Market Basket Spread Sheet for Batteries and Flashlights, you have a column for "2009 Units Sold". If it is an 8 pack, for example, does that quantity indicate how many 8 packs are sold or how many individual units are sold?

Individual Units.

11. Does the contract administrator have a preference for the formatting of the electronic (CD-ROM) price list that will be submitted along with this bid? In our other single State bids we've traditionally submitted our pricing in Microsoft Access format. Is this format acceptable for this particular bid or is there some other preferred format that we should follow?

Your response to the price list must be as requested in the RFP document only. Vendor's catalogs may be submitted on CD or hardcopy.

12. 1.1 Volume Discounts – Minimum Order Will the State of NV and all Participating States take into consideration and allow the proposers to ship according to the mfg ordering guidelines? In the event a manufacture will only ship case qty; example: lamps can be only shipped in qty of 12 per case. Manufactures have restrictions on certain items which have been proven to limit damaged shipments.

The State of Nevada will allow proposers to offer manufacturer guideline ordering quantities. However, this minimum order issue will need to be addressed separately to each Participating State via that State's Participating Addendum.

13. 1.6 Allowable Price Increases- The RFP states that all price increases will be substantiated by the Producer Price Index and/or Consumer Price Index or similar pricing guide. Will The State of Nevada and all Participating States accept a manufacture price increase on manufacture letterhead stating the proposer's percentage increase and effective date?

No, price increases shall be substantiated by the PPI, CPI or similar pricing guide.

14. Attachment H - Market Basket Pricing Schedule certain manufactures do not offer a published List Price; in lieu of a manufacture list price can we submit proposer list price?

Yes.

15. Attachment I – Percentage off List per Category Is this portion of the RFP a percentage off Mfg List or Proposer’s List Price? If the percentage is based off the manufacture list, can we provide a percentage discount off different manufacture(s) rather than a percentage off the category? IE 40% off Sloan, 35% Moen, vs. 25% off Plumbing category.

The percentage of list per category is based off the proposers catalog list price and not the manufacturer list price. The proposer’s percentage off catalog list price shall be one percentage for all items in that category.

16. Our organization installs and sells emergency vehicle products for police and fire. Some of the items we sell are light bars, sirens, cages and bumpers. Your listing of categories does not list these items. Are these items included in any of your categories? Or is this bid just for building facilities.

No, these items are not included in this RFP.

17. We are working on the lamp and ballast section of this bid and we have a major concern regarding the spreadsheet provided. We are not sure which column to use to bid items as the item number and the item description are entirely different on the majority of items. Can you please clarify the best approach to bidding these items- which reference should we use to determine the item being bid? We anxiously await your response and hope that it is before the state Sept 22 date, as this bid requires a huge amount of time and effort for vendors.

The corrected excel spreadsheet is embedded at the end of this document.

18. I am a LED lighting distributor from AZ. our lights are US made and we can replace almost any light with an LED. Will LED lights be considered in this bid

you may respond to any item with an equal or better item however, in order for a proposer’s submission to be considered responsive; a proposer must be able to provide for a minimum of one full category to one entire State.

19. Where within the RFP do we find the list of products and estimated quantities that are being requested for bid? In particular the Air Filters.

These items are in the pricing section excel spread sheet. The corrected excel spreadsheet is embedded at the end of this document.

20. However, if a Proposer elects to submit a Proposal for a single State then the Proposer must be willing to supply the entire State and will not be allowed to add additional States following award or at any time during the term of the contract or any renewals. If a proposer offers multiple states are they barred from adding states after the award? A

proposer's geographic distribution limitations may change during the course of the contract. How would WSCA/SON interpret the above clause in that circumstance?

The language in Section one of this RFP shall be changed to the following:

However, if a Proposer elects to submit a Proposal for a single State then the Proposer must be willing to supply the entire State. Proposers may add additional States at a later date during the contract if mutually agreed to by the proposer and WSCA. Please note that this does not guarantee that additional States added at this later date will automatically sign a Participating Addendum.

21. All pricing listed shall be ceiling prices with the option for Participating States to negotiate more favorable discounts for large orders. Does this apply to category discounts as well or only to the line item pricing in the attachment?

Both category and line item pricing.

22. 3. 5.1.11 financial information and documentation to be included in Part III of your response in accordance with the Submittal Instructions. 1. Dun and Bradstreet number 2. Federal Tax Identification Number 3. The last two - (2) years and current year interim: Profit and Loss Statement Balance Statement Will the State of Nevada accept alternate financial assurances in the form of "Letters of Comfort" from our banking and accounting firms? As a privately held company disclosure of our financial statements is a requirement that runs contrary to the private nature of our ownership. In the event the State will not accept alternate forms of assurance of financial soundness what is the statutory or regulatory basis for this requirement?

Yes, the State will accept alternate financial assurances.

23. Product Questions Market Basket Spreadsheet cleaning category. a. Please provide the Diversey item numbers. Many of these items have multiple product pack and Unit specifications. 5NF21 Disinfectant,1 Qt Diversey, Inc. WIDE RANGE II RTU 3UT36 Cleaner, Foam Burst Diversey, Inc. FOAM BURST 5NF24 Cleaner,1 Qt Diversey, Inc. CREME SOLVER 2LEF7 Clinging Toilet Bowl Cleaner,1 qt Diversey, Inc. 2LEF7 5NF22 Cleaner,Grout,1 Qt Diversey, Inc. GREAT WHITE 2CXB8 Cleaner and Disinfectant,Pine,1 Gal Diversey, Inc. 2CXB8 5NF23 Cleaner,1 Qt Diversey, Inc. TOUGH BOWL none Oxivir Five 16 Johnson Diversery none Alpha-HP Bathroom Cleaner Johnson Diversery none Alpha-HP Multi Surface Cleaner Johnson Diversery none Stride Neutral Cleaner Johnson Diversery.

Please provide pricing per quart for each product.

24. Please explain why these industrial lubricant products are included in the cleaning supply category? We request that these be removed from consideration as required items. 4ZF44 Grease, Automotive Exxon Mobil Oil Corp XHP222SPECIAL 4UJ42 Grease,2 NLGI Grade LPS Laboratories, a div of ITW 70614 1D262 QD Contact Cleaner,16 Oz,Net

11Oz Crc Industries Inc 03130 4ZF21 Oil,Air Compressor Exxon Mobil Oil Corp
RARUS 427 6Y743 Lube,Greaseless,11 Oz LPS Laboratories, a div of ITW 00116
3KB67 Lube,Industrial,12 Oz Diversified Brands 20027 2CDU4 Lubricant,Aerosol
w/Smart Straw,8 oz Wd-40 Company 110054 2NV59 Lubricant,Smart Straw,16 oz,12 oz
Wd-40 Company 10032 2C687 Cleaner>Contact,11 Oz LPS Laboratories, a div of ITW
03116 2CDU5 Lubricant,Aerosol w/Smart Straw,11oz Wd-40 Company 110078 3UM47
Lubricant,Wd 40,16 Oz WD-40 Company 10016.

The corrected excel spreadsheet is embedded at the end of this document.

25. 1. In regards to the Market Basket Cost Schedule for the lighting portion, on the majority of the lamps listed, the description and manufacturer model no. do not match. Which should we be using?

The corrected excel spreadsheet is embedded at the end of this document.

26. We would like to bring to your attention that there are discrepancies in Attachment H, WSCA RFP 1862 Pricing Worksheets. In many cases column D named Manufacturer Model No. does not associate to column A named Part Number. For example, Worksheet Name HVAC, lines 27 through 30 the part numbers do not match the manufacturer part number. These same types of discrepancies can be found on other tabs. Please advise on how to proceed.

The corrected excel spreadsheet is embedded at the end of this document.

27. Page 20 - 9.3.1. Can a thumb drive be used to submit electronically instead of a CD?

No.

28. Page 10 – 3.5. We do not have workflow management controls for E-Commerce – can this be moved to the desirable section?

Yes. Section 3.5 E-Commerce and Web Catalog Capabilities shall be changed to a desirable requirement.

29. Page 19 – 9.2. The submission date is October 7, 2010 at 2:00 pm. but the reference submission date shows October 1, 2010 – is this correct or should it be October 7, 2010 like the main submission date?

The reference date is earlier than the proposal submission date.

30. Attachment G page 60. Will all the basic WSCA states be participating even if they are not listed on page 60? For example California, Wyoming and Oregon are not listed as participating states but are part of the 16 base WSCA states.

Not necessarily. All States will sign Participating Addendums if and when they decide to use an awarded contract.

31. Attachment H Market basket. Is the List price the manufacturer's list price?

No. It is the vendor's catalog list price.

32. Attachment I Percentage off list pricing schedule. Can more than one discount be submitted for a category? For example, for #15 Power Tools & Accessories, discounts submitted for tools and accessories could be 35, 40, 45, 50 and 60. By providing multiple discounts better pricing can be offered to the WSCA states.

No. Please provide one percentage off category list price for each full category you propose.

33. Should my pricing include freight charges or should that be separate from pricing?

Yes. All products delivered to the continental United States are to be FOB Destination. Hawaii and Alaska may be taken as an exception however proposers must describe in detail, any freight charges to these two States.

34. Cannot reach list of products to bid on.

The corrected excel spreadsheet is embedded at the end of this document.

35. Inquiring as to any update to Attachment H Market Basket Pricing Schedule to the lamps/ballasts and fixtures description and model numbers. Most of the manufacturer model numbers for lamps do not match their descriptions in the spreadsheet.

The corrected excel spreadsheet is embedded at the end of this document.

36. Our company, LED ECO SOLUTIONS INC. dba AoTuroaLED, is a leading edge manufacturer of a full line of LED (light emitting diodes) products. Our classification falls under "Lamps, Ballasts and Fixtures". Our company does not manufacture, distribute or sell ballasts, fluorescent lighting, etc. Our question is: Will WSCA issue an addendum that allows our products to be offered via WSCA as its own product line. Support for our case is as follows: AoTuroaLED is the North American interior lighting division of Axiom LED of New Zealand (go to www.AoTuroaLED.com for more detailed information). The LED systems we offer are used to retrofit fluorescent lighting in office, warehouse, and parking garages. Axiom NZ LED lighting modules are made in New Zealand and our Axiom Power Corp. power units are made in Taiwan. Our kits are brighter than fluorescents, much lower energy, 10x the life at 100,000 hour rating, and contain no hazardous or harmful materials like the mercury (Hg) in fluorescent tubes. Due to extensive interest by Military and Government facilities in the USA, AoTuroaLED announced that LED systems will be fabricated in California and Nevada. The products will be in compliance with GSA standards. White LED retrofit kits will be

available by late October or early November, 2010. Our products have shown they can "out perform" fluorescent through our Department of Energy approved LM79 photometric testing. We also have strong LED lifetime performance data with our LM80 compliant lifetime testing. In summary, at the Pre-Proposal Submission Conference in Reno, NV, it was suggested that LED companies should partnership with another company that provides "Lamps, Ballasts and Fixtures". It is not in our interest to partnership with a company of this nature, because we think these products that they sell, are rapidly becoming obsolete. They also include hazardous materials, are expensive in their disposal and their life expectancy is much shorter compared to LED's. LED's are a much superior alternative product. We respectfully request your review of our products and your decision to provide an LED line item for our products.

No, a new category will not be added. You may respond to any item with an equal or better item however, in order for a proposer's submission to be considered responsive, a proposer must be able to provide a minimum of one full category to one entire State.

37. I would like to express my concern on offering discounts and from which platform. Companies that offer a discount of Catalog Price are offering discounts off an "internal" LIST price...which each supplier can create. Requiring to offer discounts off the "Manufacturer" Current List Price means everyone will be offering off the same platform...this means the evaluators are comparing discounts from the same platform...comparing "apples to apples".

All discounts shall be percentage off of catalog list price.

38. On page 79, a single discount is required for a Category. My company may offer up to twenty different manufacturers that qualify under a Category and each manufacturer may offer a different discount/cost structure. In offering one set discount, it doesn't offer the best pricing available to the end user. In offering a discount variance (e.g. 3-85%) or the ability to break up a Category by listing manufacturers pertaining to the respective Category with each discount listed then enables the supplier to offer the best price to the end user. With either option offered be allowed?

No. Please provide one percentage off category list price for each full category you propose.

39. Are complete Pricing List required with the bid submittal for EACH manufactured offered. That is on page 79, when listing a discount, is the responder required to submit the Price Schedule/Catalog of which the discount is based? If so, this may be thousands of pages. Is an electronic means (CD, flash drive) sufficient?

Percentage off per category shall be based on vendors catalog and not manufacturer's catalog.

40. The RFP states \$360 million in average annual spend. Can you provide the average percent spend broken down by Category? Also, can you provide the average annual

spend for each of the 31 States?

No. this is an aggregate spend for each category for all Participating States.

41. I see the amendment 1 for 1862a, but don't see what exactly amendment 1 is for?

Amendment 1 was announcing that the preproposal conference was to be held at the Grand Sierra Hotel, Reno, Nevada.

42. If we are awarded the contract are the local entities still allowed to buy from other vendors as well?

Yes.

43. How will we be notified of the award of the contract?

Awarded vendors will also be sent a notice of award via fax and US mail.

44. Inquiring as to any update to Attachment H Market Basket Pricing Schedule to the lamps/ballasts and fixtures description and model numbers. Most of the model numbers do not match their descriptions in the spreadsheet.

The corrected excel spreadsheet is embedded at the end of this document.

45. In Fasteners category, pricing is requested for some wire rope, clips, etc. These items are identified as supplied by 3M Company. The supplier looks to be incorrect. Is there another supplier you prefer?

Proposers may submit items that are equal or better than the item listed. These may be from a different manufacturer than listed.

46. In the lighting section of the Market Basket Price Spreadsheet the Item Description and Grainger Product codes are inconsistent with the manufacturer's product codes from line 47 of the spreadsheet to the bottom. Can you please clarify which code we should be comparing? As an example Grainger 5XP32 describes a fluorescent tube. The GE lighting description is for a floodlight.

The corrected excel spreadsheet is embedded at the end of this document.

47. Can we receive a copy of the existing Grainger contract and what would be the ETA?

Yes, please send an email to gburchet@purchasing.state.nv.us and I will respond by sending you our Public Information Request form. After this form is returned to Nevada State Purchasing, I will make the contract available via email or disc to you. I will send you this information within 3 days of receipt of the Public Information Request form.

48. Section 1.3. Some States have existing contracts that already require quarterly rebates. Will buyers be required to specify what contract they are using (through P.O. system or other...) or will rebates be required on all applicable?

The method used to identify contracts on a purchase order or other form of order request shall be described on each State's Participating Addendum.

49. Section 1.6. Will manufacture list price increases govern yearly price increases and how will they be averaged?

No. Requested price increases will be governed by PPI, CPI or other similar index and the contract holder's request.

50. Section 3.3.2. Will market basket items loaded on an interactive Excel sheet or in a "favorites" list suffice for labeling in catalog?

Proposers shall describe their current method in their proposal submission.

51. Section 3.5. If contractor has online ordering capability but does not currently have online P-card storage and purchasing ability, will that result in deduction of points or disqualification?

Section 3.5 is a mandatory section. Proposers that cannot offer the minimum requirements as stated in Section 3.5 will be disqualified.

52. Section 3.5. If answer to question 5 is disqualification, how long would contractor have to establish these online services? Would the deadline be the proposal due date of October 7th or contract start date?

Proposers must be able to meet the minimum requirements at the time of proposal submittal.

53. Section 3.1.2. – Catalog format – Can the catalog be provided in a format other than CD, like an MS Excel Spreadsheet or other? Is the entirety of the Ferguson Online database/website sufficient?

The catalog may be submitted via CD or hard copy only.

54. Section 3.3.1. – Internet catalogs available – Does the WSCA already have an online ordering portal currently in use (i.e.: Ariba, PeopleSoft) or are we to provide the portal (i.e.: Ferguson Online website or Punch-out)?

The State of Nevada requires a link to the vendor's website from the State Purchasing web page however; each Participating State may vary on their ordering portals.

55. Section 3.5.3. – Online Workflow Management – Please provide a deeper explanation and expectations of this point in the contract.

Section 3.5 E-Commerce and Web Catalog Capabilities shall be changed to a desirable requirement. Please discuss what controls/ checks and balances you have in place to assure WSCA and the Participating States that order requests have been authorized by the using agency within that State prior to order placement by the vendor.

56. Section 3.8. – Procurement Card Policy – Can procurement card data for each entity be stored at each Ferguson Enterprises, Inc. location? Provide details. a. In the absence of pay on the site (through Ferguson Online & Punch-out), will WSCA allow payment processing to occur via phone through an FEI representative?

No. Processing of P-card payment must transpire via internet or on site.

57. Section 1 – Overview of Project The categories listed in this section (Electrical Repairs and Equipment & Material Handling Repairs) use the word “repair”. Please verify that no services are required under these categories?

No services are required under any categories.

58. Our company represents over 2200 manufacturers that cover over 1.2 million products. Please confirm we can use our website as the list price?

The term list price means proposer’s catalog list price.

59. Market Basket The entire Lamp Section contains inaccurate information. For each line item the WWG part # does not correspond with the Manufacturer’s part #. They represent two distinctly different items. Which # should we use to cross the items? The WWG # is a higher priced item than the Manufacturer’s #. Please see example below...1PGT3 Lamp,F7BX/827/ECO,CFL,Plug-In,7W,Biax General Electric Lighting
F34CW/RS/WM/ECO 2V791 Lamp,90par/H/F125,90 W General Electric Lighting
F32T8/SP41/ECO The part number (1PGT3) and description is not = to the manufacturer description (F34CW/RS/WM/ECO)

The corrected excel spreadsheet is embedded at the end of this document.

60. Market Basket Some items in the cleaning section have very little information - see example none Oxivir Five 16 Johnson Diversery MRO Chemicals no history We request that items that do not have all the information be removed? (There are other items in this section with very little information)

We will not remove any items however proposers may offer equal or better to products as a replacement for the items listed.

61. Please clarify that the unit of measurement for all 2009 Items Sold, Column G, shown on all worksheets of the Market Basket Pricing Schedule is given as each, or please state the correct unit of measure.

The pricing listed on the unit of measurement as each, although it may be for each package if the product is only sold in a package not individually.

62. Would we get a list of departments, agencies, areas that we would call on who use this contract?

Each Participating State may provide this information when a Participating Addendum is signed with an awarded proposer.

63. Is this web based ordering or phone in only?

This procurement anticipates the use of all forms of ordering methods.

64. Dollars sold by state with the previous contract over the last 5 years?

The figure listed is an aggregate of all using States.

65. Will we have a Service Representative at each location on a weekly or monthly basis...how will the account be serviced?

The proposer shall offer a response to this question in their RFP submission.

66. Cleaning Supplies Price Sheet – What are the mic and/or mil of each liner on the cleaning supplies list?

Please review the part number given on the spreadsheet at Grainger.com for this information.

67. Which ones (liners) are low density or high density?

Please review the part number given on the spreadsheet at Grainger.com for this information.

68. Regarding 4.11 Community Rehabilitation Program (CRP). Is the expectation that the contractor will restrict the sale of commercial items that are essentially the same as the QRF or CRP program item OR is it that the contractor will distribute QRF and CRP items? .

It is preferred that the proposers distribute QRF and CRP items. Proposers shall describe their capabilities and methods used in their CRP programs.

69. Does the incumbent contractor have a minimum shipment quantity or minimum shipment dollar value for FOB freight free terms? If yes, what is the minimum quantity?

No.

70. May category discounts be provided as a range, for example 10% - 20% rather than a single discount?

No. A single percentage discount off vendors catalog per category is expected.

71. In Section 1. Overview, where does the proposer identify the geographic limits proposed? Are the 31 states that have indicated the intent to participate the maximum geographic limit of coverage that may be proposed? If so how will additional states be added should they decide to participate after award?

Please indicate your geographic limits beneath the question or statement in the RFP. Proposers may name any of the 50 States as part of their geographic coverage.

72. Are the Special Terms and Conditions referring to the Individual State's Unique Terms and Conditions? Or are the Special Terms and Conditions the proposer exceptions or clarifications to the WSCA terms and conditions?

These are WSCA terms and conditions. Please note however that States that have indicated their intent to participate have listed any of their unique terms and conditions in the RFP or this amendment. Other States that opt to use awards based on this procurement may have unique terms and conditions. These terms and conditions will be part of that State's Participating Addendum.

73. Should the point of contact information of the references be included in the confidential proposal given the confidential nature of the information?

No.

74. What is the contract price per each for the following 25 part numbers in the market basket? 6TG01 6TD41 3MA16 4T152 2DCX1 2FPJ4 1F398 2CUU1 2ETV7 1PGV6 4TE16 4TH42 3CB54 5W419 5A051 1RL57 3VG76 4LL48 1PGT2 1TYL3 5U618 1AD87 2KFY4 2AW10 2ZB21 2NV59.

Please refer to the Grainger web link located on the State of Nevada Purchasing website.

75. There are quite a few parts listed in the Lamps Market Basket that do not match. For example, line 52, the Model number does not match the description (a model number is in the description as well) and they conflict. In these cases, should we bid the model number or the description?

The corrected excel spreadsheet is embedded at the end of this document.

76. Section 1.8- Participating Addendums (4th bullet point) - When will Participating States add Terms & Conditions, before or after the award has been made?

States that opt to use awards based on this procurement will add any unique terms and conditions as part of that State's Participating Addendum after award are made.

77. Section 1.8- Participating Addendums (5th bullet point) - When will Participating States and the Contractor negotiate and agree on additional Terms & Conditions, before or after the award?

States that opt to use awards based on this procurement will add and negotiate any unique terms and conditions as part of that State's Participating Addendum after award are made.

78. Section 1.8- Participating Addendums Upon agreement of the additional Terms & Conditions, what is the name of the document that both Participating States and Contractor will sign? Is it called a Master Service Agreement for Services of Independent Contractor?

The Master Services Agreement will be signed with the Lead State, Nevada. After the MSA is signed then a vendor may visit each State and negotiate and sign Participating Addendums.

79. Section 1.8- Participating Addendums: What happens if a Participating State and Contractor cannot come to an agreement of additional Terms & Conditions?

If a contractor and a State cannot agree on additional terms and conditions then the contractor is not obligated to sign that State's Participating Addendum.

80. Section 3.5.3 Workflow Management - At the present time, we currently do not have this feature available on our website. We are working to add this feature with a projected launch date of Q3-Q4 in 2011. Will this be acceptable to the State?

Section 3.5 E-Commerce and Web Catalog Capabilities shall be changed to a desirable requirement.

81. Section 3.9 Forced Substitutions- For item(s) that have been discontinued by the manufacturer. Does the State and the Participating States have a preferred method of communication for notification of manufacturer discontinued items?

WSCA will not allow forced substitutions. Discontinued items must be sent in writing to WSCA and be marked as discontinued in the proposer's ordering system.

82. Section 3.9 Forced Substitutions- Will the State and all the Participating States provide a listing of key point of contacts for notification?

Nevada as the lead State will be the point of contact for discontinued item notification.

83. Section 3.10 Customer Service Representatives (Subsection 3.10.1.2) -Can you please provide a detailed explanation of all that will be required during after hours; i.e. for customer service support, product delivery, technical, etc ...

The representative must be available to assist in emergency situations that may arise within a Participating State. This may include delivery, support, technical etc.

84. Section 3.10 Customer Service Representatives (Subsection 3.10.1.2) Can you also provide an anticipated volume for this service?

The volume for this service will vary from State to State.

85. Section 3.10 Customer Service Representatives (Subsection 3.10.1.2) Will we need an outside sales representative in every participating state? Can an inside sales team be used to cover the area where outside representation is not available?

Proposers must offer Customer Service Representatives as described for each State. Proposers shall describe in detail their method for this service.

86. Section 4.5 Shipping (Packing Label and Packing Slip)- Are we correct in thinking the WSCA requirement is 1 Packing Label per carton shipped and 1 Packing Slip per shipment? If the WSCA shipping requirement is anything different than above, please clarify?

In general this will suffice. Certain Participating States may request a different method via their Participating Addendum.

87. Section 4.5 Shipping (Packing Label and Packing Slip) - The State is requiring an Authorized Purchasers to on the Packing Label. How will we be able to identify the Authorized Purchaser on a PO?

Contract holders will be advised of the Authorized Purchasers per State at the time of signature on each Participating Addendum.

88. Section 4.5 Shipping (Packing Label and Packing Slip) - If a Proposer is unable to provide all the required information being requested, should we make note on the exceptions report all the detailed information that we can supply?

Yes.

89. Section 4.6 Implementation (Subsection 4.6.3) - What is an acceptable, expected time frame for proposer's to implement the online ordering system?

Proposers shall describe their most thorough but expedient time frame however, an on-line ordering program must be available at contract signing. This does not mean that each Participating State must be live and ready to go. It does mean that a proposer must have an on-line ordering methodology in place at the time of contract signature.

90. Section 4.11 Community Rehabilitation Program (CRP) / Qualified Rehabilitative Facilities (QRF) - Can the State provide an example(s) of a CRP and QRF?

One example is Easter Seals. For more examples of a CRP please search the web for “Community Rehabilitation Program” for list of states and programs offered.

QRF- web link: <http://www.oregon.gov/DAS/SSD/SPO/index.page> for program information and list of members.

91. Section 4.11 Community Rehabilitation Program (CRP) / Qualified Rehabilitative Facilities (QRF) - Can the State please elaborate on the exact qualifications for this program?

The qualifications for both CRP/QRF will vary in each Participating State.

92. Section 4.12 Retail Store Purchases / Will Call -Can you clarify the State’s definition of Will Call?

A retail store purchase/ will call is defined as a store or similar facility where a purchasing entity can come in and purchase an item. In the case of will call, the purchasing entity has called ahead, ordered an item and will pick it up at the store front in lieu of having the item(s) shipped.

93. Section 5. Company Background and References (Subsection 5.1.9 “Has the proposer ever been engaged under contract by any Participating State?”)- Is this question referring to State contract only or any contract with an agency within the Participating State?

This refers to any public entity contract within a Participating State.

94. Section 5. Company Background and References (Subsection 5.1.13) -Please clarify the time duration of litigation cases WSCA is requesting?

The time duration shall be from five (5) years until present.

95. Section 5. Company Background and References (Subsection 5.1.13) - Are the litigations directly relating to State vs. the Proposer? Or is the State requesting all litigation that may involve; employees, etc...

All litigation within the last five (5) years is requested.

96. Section 6. Subcontractor Information - Please define Subcontractor. For example, is it only Minority and Woman Owned Businesses (M/WBE), Disadvantaged Business Enterprise (DBE), Small Business Enterprise (SBE) or other examples of subcontractors?

Subcontractors for this procurement are described as any type of provider or business that will be supplying products to a Participating State on your behalf.

97. Section 7.0 Pricing - Can the Proposer provide pricing on the percentage off category and not participate on the Market Basket items that correlate to the percentage off category; i.e. proposer offers 10% off on the HVAC Percentage off category, and not participate in the HVAC Market Basket category?

No.

98. Section 7.0 Pricing - Can the State please provide the awarded bid tabulation from the most recent contract?

Due to the size of the requested tabulation, please send an email to gburchet@purchasing.state.nv.us requesting this tabulation.

99. Section 9.3 Technical Proposal (Part 1) -Article # 9.3.3, please clarify if the (6) envelopes should be addressed to the names of the sourcing team and mailed to each specified address or if the (6) envelopes should be included in the entire bid package to be sent to Nevada State Purchasing dept.

Yes, proposers shall send the six evaluators as named in Section 9.3.3 the technical proposal section only. All other copies of the technical proposal, all cost proposals and all confidential material must be sent to Nevada State Purchasing.

100. Master Agreement for Services of Independent Contractor, page #36 -How could we obtain a copy of the Participating Addendums and/or Master Agreement for Services of Independent Contractor for the State of California and Wyoming?

Due to the size of the requested documents, please send an email to gburchet@purchasing.state.nv.us requesting this information.

101. Master Agreement for Services of Independent Contractor, page #36 Where will we find a copy of Attachment AA and Attachment CC, which is referenced on page 37?

Attachment AA is RFP 1862 (this solicitation) and any amendments. Attachment CC will be the awarded contractor's proposal. An MSA for each awarded vendor will be issued.

102. Attachment G – States Intending to Participate -Will there be additions to the states listed in Attachment G or if the list is inclusive?

States may opt to use awards from this procurement although they are not listed as intending to participate.

103. Attachment C Contract Form - We are unable to locate attachment AA & CC; can you please direct us to where we can locate these documents? Or will these be provided at the time of award?

Attachment AA is RFP 1862 (this solicitation) and any amendments. Attachment CC will be the awarded contractor's proposal. An MSA for each awarded vendor will be issued.

104. Attachment H (Cleaning Market Basket) -The question is concerning the dispensers that hold the paper products. Can you please advise who will be responsible for replacing these dispensers in all the Participating States when they fail, or due to damages?

Proposers shall describe who will be responsible for replacing dispensers in their RFP response.

105. Attachment H (Cleaning Market Basket) -In addition, there is also a "hanging fee" associated for dispenser replacement. Can you please advise who will be responsible for this fee?

Proposers shall describe who will be responsible for replacing dispensers in their RFP response.

106. Attachment H (Cleaning Market Basket) -Is there a current contract in place that will cover the dispenser and hanging fee in each Participating State?

A contract of this nature may or may not be in place in the various Participating States.

107. On page 45, General Requirements, section D - what is the prequalification process for self-insured retention?

There is no prequalification process. Proposers shall submit an Acord form or other form of insurance limits disclosure. Limits shall meet or exceed those listed in the RFP document.

108. If a supplier to the WSCA agreement has a contract or contracts in participating States or other WSCA customers, how does that supplier determine which contracting vehicle to use? When placing orders, is it the customer's responsibility to determine which contracting vehicle to use or is it the awarded contractor? Are customer's required to provide a contract number?

Participating States shall determine which contracting vehicle to use

109. Please clarify the environmental requirements in sections 4.8.2, 4.8.3 and 4.8.4. As a distributor we do not control the manufacture of the products themselves, we do offer environmentally friendly products but the above sections appear to involve manufacturing processes.

Distributors are expected to respond to this section with applicable information. This may include manufacturers known practices that the proposer distributes.

110. Section 1.1 With regard to volume incentives or growth incentives; are the participating states able to accept discounts in the form of rebates rather than an increase in the discount offered? You are suggesting a cumulative volume discounts (or rebate), are you referring to a volume for purchasing entity, an entire State or for the entire contract?

Volume discounts are cumulative volume discounts and refer to the entire contract volume.

111. In the previous awarded contract there were a range of discounts offered per product category. When evaluating the pricing of items outside of the market basket how will the evaluation committee check and verify the actual pricing offered on an item?

One percentage off catalog list price for each category is required. All pricing shall be per the proposer's current published catalog.

112. How do you anticipate evaluating percentage discounts for this award since the list price varies by supplier? Catalog pricing may vary widely by supplier. How will the actual discounts offered be evaluated? This is important because some of the discounts offered may appear to be smaller but the "Catalog" price may already be considerably lower and a 5% discount from one supplier may be equivalent to a 30% discount from another.

All catalog pricing and the offered percentage off pricing shall be taken into consideration during evaluation.

113. During the previous contract, how were products not shown in the printed catalog priced by the supplier and subsequently verified by WSCA?

The current contractor's catalog is used to verify the pricing.

114. In section 7.1.2, how do you define purchasing entity?

A "purchasing entity" is any governmental entity within a Participating State. This includes all State, city, county, school districts, university systems, judicial systems and any other political subdivision within that State.

115. In section 1.6, does the 1 year firm pricing apply to the parts listed on the market baskets or to all items sold during the 1 year period?

Section 1.6 shall be amended to read as follows: Pricing shall be held firm for the first six months of the contract and may be amended semi-annually thereafter. This pricing Applies to all items sold.

116. Section 1.6 Pricing indexes traditionally do not follow the products within this commodity group. To offer the most competitive pricing available would it be reasonable to increase prices to the WSCA contract only when manufactures have publically announced an increase?

No. Price increases/decreases shall be done according to a pricing index and only after approval by WSCA.

117. In section 3.5, please clarify the workflow requirements?

Section 3.5 E-Commerce and Web Catalog Capabilities shall be changed to a desirable requirement. Please discuss what workflow controls/ checks and balances you have in place to assure WSCA and the Participating States that order requests have been authorized by the using agency within that State.

118. In section 3.5, what information would you like to see in order status/order tracking?

Order Status/ tracking shall be information that is readily available to a purchasing entity that indicates the progress and status of an order from receipt of order by contractor to the delivery of the order.

119. In section 3.8, would you provide a list of mandatory and optional fields for level III credit card reporting?

Level III credit card reporting details all sales information, transaction lines, detailed pricing and total.

Standard Info - credit card number & exp, billing address, zip code & invoice number.

Sales Tax - an amount must be submitted separately from the total transaction amount.

Freight Amount - If unavailable, enter \$0.00

***Line Item Details: Product / Service ID (item ID) Product / Service Description
Quantity Item Amount (like \$100) Unit of Measure***

120. Section 5.1.10: As a large business we are not fully aware of all activities for all associates outside of working hours. We are not aware of anyone who is in a procurement position. We are assuming the intent of this question is to disclose any conflict of interest, is this assumption correct? The only tracking of this nature we currently have is a list of associates that are serving in the National Guard. We would like to keep that information confidential.

This question refers to any conflict of interest in which a contractor employee also is employed by a purchasing entity within a Participating State. National Guard service is exempt from this information.

121. Does each state that has indicated intent to participate have a centralized warehouse? If so, could you provide a list of the addresses?

No.

122. Please provide the breakdown of the previous contract year spend of \$360M per category?

This information is not available.

123. For at least 7 parts found in the Fasteners and Packaging market baskets, the Grainger part number, and descriptions match; however, the supplier name does not match. For example. Part number, 2XY29, and Description – Anchor Shackle, match; however, the Supplier Name is 3M Tape Division. For these parts, do you want us to disregard the supplier name?

The corrected excel spreadsheet is embedded at the end of this document.

124. Section 1.3.3; If each State can add an administrative fee, can this amount be added to the sale price of the contract within that State alone? This will allow State's that do not participate in this practice to receive the most competitive price available? Is there a maximum or cap on fee that can be added? Will you provide a list of the administrative fees for each participating state?

Individual State Administrative Fees shall be added to that individual State pricing only. The individual State Administrative fees will be described in their Participating Addendum and reflected in the price per item for that State. WSCA does not have access to each State's Administrative Fees.

125. Section 4.10.3: Is this provision asking for items that may be available to be purchased through a reseller for this contract? Will these type of arrangements need to be considered a sub-contractor?

Proposers are asked to detail products that may be available and may also include any intentions to sell through a reseller in their proposal response. These arrangements may be considered a sub contractor relationship.

126. Section 6.1: As part of our Small Business subcontracting plan we would like to continue to seek partners that we can add to the scope of this agreement. Will we be allowed to add Small Business subcontractors after award to help increase the Small Business throughput on this agreement?

Yes, upon approval by WSCA.

127. Section 4.6 – Will we have access to State Purchasing personnel at centralized locations or when describing the implementation plan do we need to consider training at individual sites with each State?

We would anticipate that your implementation plan will describe how you plan to offer assistance and instruction to both centralized and decentralized users regarding your contract.

128. Section 7.1.2 - One of the benefits to multiple awarding the contract is that competition will take place within the market baskets to provide the best service possible and at the best possible price. The ability to discount would be a great benefit to many WSCA users but the awarded contractors will not be as willing to discount if the act of discounting will establish a new contract price. Would the committee consider removing the price de-escalation clause?

7.1.2 shall be amended to read as follows:

Contract prices represent-ceiling prices for the supplies and services priced in the award(s).

Contractors may offer, at their discretion, special discounted pricing to a Participating State for large quantity orders or other circumstances.

129. We offer a product that competes extremely well with the Perma Patch 60 lb bag (Grainger Part Number 3ZC17). Our product is in a container size of 50 lbs per bag. Will products with different container sizes be considered? How would you evaluate items that have different sized containers?

Proposers must clearly indicate the size difference in their response and calculate the pricing to reflect the pack size requested on the market basket pricing sheets.

130. Will you notify the respondents when you have received their customer references?

No.

131. There are several line items within the Cleaning market basket where there are no Grainger part numbers, the manufacturer part numbers are invalid or are missing, and the brief descriptions are unidentifiable, Can you provide more information or remove these items from the baskets? For example, manufacturer model number of “none” and a description of “Oxivir Five 16.” Another example is manufacturer part number of “none”, model number of “53504”, and description of “Glass Cleaner – Green Earth?” This model number is invalid. Is this a spray bottle, a concentrate, or an aerosol, and in what size? 26. Part number 6X452 for a quantity of 220 in the motor market basket is a bushing listed as an adapter bushing. The manufacturer is stated as Climax and Climax cannot identify the part number or description. Will you provide more information on this part including a drawing or possibly remove it from the market basket?

The corrected excel spreadsheet is embedded at the end of this document.

132. Is a complete Pricing List required with the bid submittal for EACH manufacturer offered? That is on page 79?

Page 79 is the request for the percentage off catalog list price per category for all items offered not on the market basket. Proposers shall respond with one total percentage off catalog list price only per category.

133. Section 1.6 - Allowable Price Increases Section 1.6 talks requires that price increases be substantiated by the PPI or CPI. Since it is not uncommon to have a substantial increase from a supplier on a single item that would not be reflected in or by the PPI or CPI. Will WSCA accept additional or other forms of support for price increases, such as a manufacturer's letter?

No.

134. Will WSCA allow the parties to agree upon the adequate substantiation for price increases, such as PPI, CPI or manufacturer's letter, depending on the situation?

Indexes such as PPI and CPI are the only forms of substantiation of price increases acceptable. A manufacturer's letter will not be accepted.

135. Will WSCA accept another form of conclusive evidence? Such as a letter from the manufacturer? It is not uncommon to have a substantial increase from a supplier on a single item and not affect the Producer Price Index or Consumer Price Index significantly. We suggest that WSCA allows for an exception with this requirement.

This will not be acceptable to WSCA.

136. Section 3.5. E-Commerce and Web Catalog Capabilities If WSCA moves the requirement for work-flow management from a mandatory requirement to a desirable feature, will WSCA give vendors with work flow management capabilities and functionality extra credit?

Section 3.5 E-Commerce and Web Catalog Capabilities shall be changed to a desirable requirement.

137. Section 4.8 Sustainability/Environmental Practices This section asks proposers to describe sustainability and environmental practices for the following: Section 4.8.2 - Use of single plastic resins in plastic components weighing more than 100 grams; Section 4.8.2 - Clear and visible labeling of plastic types in components weighing more than 25 grams Section 4,8,3 - Avoidance of paints, including metallic paints on any internal or external plastic housings Section 4.8.4 - Equipment that is assembled in such a way that components may be dismantled easily so that individual components may be

disassembled, separated, identified and reused or recycled easily. Do these subsections apply to industrial supplies or were these sub-sections included by mistake?

These subsections refer to all product categories listed in this RFP.

138. What is WSCA looking for in these subsections relative to industrial supply/MRO products? Question 4 Sections 5.1.2, 5.1.12, 5.1.13, 10.2(Litigation Disclosure These sections ask proposers to disclose prior and ongoing litigation and investigations. What time frame does WSCA require for past litigation and/or investigations? Within the past 2 years, 3 years, 5 years? What is the scope o of the litigation and/or investigations? Does is it limited to contracts with governmental agencies or is WSCA looking for all information that could include, but not be limited to: product liability, personal injury and tort litigation, e employment claims and litigation, OSHA investigations, state and local environmental investigations/litigation; real estate disputes; commercial litigation or disputes and so on? Is the mere fact that investigations or litigations exist the critical factor or is WSCA looking for a statement that the results will not be a material event on the proposer's financials? Can WSCA clarify the scope of these requests?

Section 5 refers to any litigation for the last five (5) years. Litigation is referred to as any litigation for any reason. This information will be used to assist the WSCA sourcing team in evaluating the abilities of a proposer to satisfactorily perform the contract.

139. Market Basket - When the Supplier Name is listed as Grainger and the product description is limited, how do we accurately identify these items?

Please refer to Grainger.com for further product descriptions.

140. For item 1.3.1 - it says the pricing listed on the "pricing schedule" of this proposal shall include the WSCA Administrative Fee. But it also says the administrative fees may not be added as a line item. Does this mean on the pricing schedule that we should take our cost plus the .5% administrative fee and this equals the pricing that we submit on the pricing schedule?

Yes.

141. For item 1.3.2 it says to provide a sample statement document review. Is an excel spreadsheet or designated system report sufficient for this item?

A sample of the proposers billing statement is requested.

142. Will the award be given strictly on price?

No. Pricing is 500 points and the desirables section is an additional 500 points.

143. Will there be more than one distributor chosen for any given state(s)?

Multiple awards are possible based on the proposal responses.

144. Will the award lean more toward a distributor who can supply products from more categories than just 1 or 2?

Multiple awards are possible based on the proposal responses. Proposal responses will be evaluated and awarded points. There are a maximum 500 points for pricing and 500 points for the desirables section of the RFP.

145. Will the award favor a distributor who can supply products from all the categories?

Proposal responses will be evaluated and awarded points. There are a maximum 500 points for pricing and 500 points for the desirables section of the RFP.

146. Will WSCA award the contract to a distributor who can cover a larger geographic area over one that has a limited number of states it can cover?

Proposal responses will be evaluated and awarded points. There are a maximum 500 points for pricing and 500 points for the desirables section of the RFP.

147. Section 1. Overview: Is there any possibility to allow for expansion to other states during the award period or any renewals? If the proposer chooses to only service one state due to a variety of reasons, as that proposer grows and is able to service other states, is there some reason we cannot do that at the appropriate time?

The language in Section one of this RFP shall be changed to the following:

..However, if a Proposer elects to submit a Proposal for a single State then the Proposer must be willing to supply the entire State. Proposers may add additional States at a later date during the contract if mutually agreed to by the proposer and WSCA. Please note that this does not guarantee that additional States added at this later date will automatically sign a Participating Addendum.

148. Section 8.1 Are we to understand that payment is guaranteed within 45 days? If it is past that time period can we then charge interest?

The WSCA terms and conditions allow for late fees and interest, how if this varies the Participating State will address this on their Participating Addendum.

149. Attachment H Could you please define the term "Market Basket"?

Items that have a history of high volume purchases comprise the market basket. It is expected that due to the high purchase volume that better pricing will be given for these specific items than the % of catalog list price.

150. Section 3.10.1.2: What level of support is required for this emergency number?

Due to the nature of the products requested on this RFP and the need for many of these products during an emergency situation, a contact person must be available 24/7. Emergency is defined as a natural disaster, manmade disaster etc. only.

151. Section 4.5: You state that a packing slip shall be included with each shipment and shall include, among other requirements, Unit Price and extension. This is not standard business practice. Is it acceptable to generate a separate invoice and deliver it electronically or by US mail?

The packing slip should include all the requested data is Section 4.5

152. There appear to be discrepancies between the Grainger part number, description and manufacturer part number on the market basket, specifically on the lamps and packing & shipping items. See examples below. Tab: Lamps, Ballasts, Fixtures. All the items coded lamps, the Grainger part number and description does not match the manufactures part number. Example: Grainger part 2F944 description is a 100w Metal Halide lamp but the manufactures part number is a 26watt biaxial florescent lamp. Tab: Fasteners. All items coded Packing & Shipping, the Grainger part number and description does not match the manufactures part number. Example: Grainger part 3AY60 description is a 1 ton ratchet puller but the manufactures part number is a roll of tape. Question: Should we use the Grainger part number or the Manufacturers part number as a basis for providing pricing?

The corrected excel spreadsheet is embedded at the end of this document.



WSCA 1862 Price
Sheets Corrections Id

ALL ELSE REMAINS THE SAME FOR RFP 1862

Vendor shall sign and return this amendment with proposal submitted.

NAME OF VENDOR _____

AUTHORIZED SIGNATURE _____

TITLE _____ DATE _____

RFP 1862 Amendment #2

This document must be submitted in the "State Documents" section/tab of vendors' technical proposal

State of Nevada
Department of Administration
Purchasing Division
515 E. Musser Street, Suite 300
Carson City, NV 89701



Jim Gibbons
Governor

Greg Smith
Administrator

SUBJECT: Amendment No. 3 to Request for Proposal No. 1862

DATE OF AMENDMENT: October 7, 2010

DATE OF RFP RELEASE: August 20, 2010

DATE AND TIME OF OPENING: October 20, 2010 @ 2:00 p.m.

AGENCY CONTACT: Gail Burchett, Purchasing Officer

The following shall be a part of RFP No. 1862 for *A Multi-State contract for Facilities Maintenance, Lighting Products, Industrial Supplies and Tools*. If a vendor has already returned a proposal and any of the information provided below changes that proposal, please submit the changes along with this amendment. You need not re-submit an entire proposal prior to the opening date and time.

Section I:


The reference due date is changed to October 15, 2010 @ 5:00p.m.

Section II:

Per Amendment 2 for this RFP Section 3.5 E-Commerce and Web Catalog Capabilities shall be changed to a desirable requirement.

Section III:

The lamps and ballasts section of the pricing sheet has been revised. This revised pricing sheet shall replace the lamps and ballasts section of the pricing sheet released in amendment 2. See the attached document below.


Lamps and ballasts
spreadsheet only for

ALL ELSE REMAINS THE SAME FOR RFP 1862

Vendor shall sign and return this amendment with proposal submitted.

NAME OF VENDOR _____

AUTHORIZED SIGNATURE _____

TITLE _____ DATE _____

RFP 1862 Amendment #3

This document must be submitted in the "State Documents" section/tab of vendors' technical proposal

Primary Proposer Attachment A
(signed)

Attachment A
CONFIDENTIALITY OF PROPOSALS AND
CERTIFICATION OF INDEMNIFICATION
PRIMARY PROPOSER

Submitted proposals, which are marked “confidential” in their entirety, or those in which a significant portion of the submitted proposal is marked “confidential” **will not** be accepted by the State of Nevada. Pursuant to NRS §333.333, only specific parts of the proposal may be labeled a “trade secret” as defined in NRS §600A.030 (5). All proposals are confidential until the contract is awarded; at which time, both successful and unsuccessful proposers’ technical and pricing proposals become public information. In accordance with the Submittal Instructions of this document, proposers are requested to submit confidential information in a separate envelope or binder marked “confidential.”

The State will not be responsible for any information contained within the proposal should proposers not comply with the labeling and packing requirements, proposals will be released as submitted. In the event a governing board acts as the final authority, there may be public discussion regarding the submitted proposals that will be in an open meeting format, the proposals will remain confidential.

By signing below, I understand it is my responsibility as the proposer to act in protection of the labeled information and agree to defend and indemnify the State of Nevada for honoring such designation. I duly realize failure to so act will constitute a complete waiver and all submitted information will become public information; additionally, failure to label any information that is released by the State shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

This proposal contains either Confidential Information, Trade Secrets and/or Proprietary information as defined in Section 2 “ACRONYMS/DEFINITIONS.”

YES XX

NO _____

SIGNATURE _____
Primary Proposer

Date

PRINT NAME W.W. Grainger, Inc.
Primary Proposer

This document must be submitted in the “State Documents” section/tab of proposers’ technical proposal

Subcontractor Attachment A

(not applicable)

Attachment A
CONFIDENTIALITY OF PROPOSALS AND
CERTIFICATION OF INDEMNIFICATION
SUBCONTRACTOR

Submitted proposals, which are marked “confidential” in their entirety, or those in which a significant portion of the submitted proposal is marked “confidential” **will not** be accepted by the State of Nevada. Pursuant to NRS §333.333, only specific parts of the proposal may be labeled a “trade secret” as defined in NRS §600A.030 (5). All proposals are confidential until the contract is awarded; at which time, both successful and unsuccessful proposers’ technical and pricing proposals become public information. In accordance with the Submittal Instructions of this document, proposers are requested to submit confidential information in a separate envelope or binder marked “confidential.”

The State will not be responsible for any information contained within the proposal should proposers not comply with the labeling and packaging submission requirements, proposal will be released as submitted. In the event a governing board acts as the final authority, there may be public discussion regarding the submitted proposal that will be in an open meeting format, the proposals will remain confidential.

By signing below, I understand it is my responsibility as the proposer to act in protection of the labeled information and agree to defend and indemnify the State of Nevada for honoring such designation. I duly realize failure to so act will constitute a complete waiver and all submitted information will become public information; additionally, failure to label any information that is released by the State shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

This proposal contains either Confidential Information, Trade Secrets and/or Proprietary information as defined in Section 2 “ACRONYMS/DEFINITIONS.”

YES _____

NO _____

NOT APPLICABLE

SIGNATURE _____
Subcontractor

Date

PRINT NAME _____
Subcontractor

This document must be submitted in the “State Documents” section/tab of proposers’ technical proposal

Primary Proposer Attachment B

(signed)

**Attachment B
CERTIFICATION OF COMPLIANCE WITH
TERMS AND CONDITIONS OF RFP
PRIMARY PROPOSER**

I have read, understand and agree to comply with the terms and conditions specified in this Request for Proposal.

Checking “YES” indicates acceptance of all terms and conditions, while checking “NO” denotes non-acceptance and proposer’s exceptions should be detailed below. In order for any exceptions to be considered they **MUST** be documented.

YES _____ I agree. NO X Exceptions below:

SIGNATURE _____ Date _____
Primary Proposer

PRINT NAME W.W. Grainger, Inc.
Primary Proposer

Grainger takes its contract compliance and customer satisfaction very seriously. To that end, Grainger requests the opportunity to propose some clarifications to some of the terms in the RFP. Grainger requests that all negotiated clarifications apply to and be incorporated into any final negotiated contract and take precedence over any conflicting terms in the Attachment C, the Master Service Agreement and related WSCA Terms and Conditions.

Please note that the page numbers referenced below are from the original RFP form, not Grainger’s proposal.

EXCEPTION SUMMARY FORM

RFP SECTION NUMBER	RFP PAGE NUMBER	EXCEPTION (PROVIDE A DETAILED EXPLANATION)
Section 1.6 - ALLOWABLE PRICE INCREASES and	Pages 6 and 19	Grainger proposes the following changes identified in italics for Section 1.6 : “Pricing for items in the Market Basket must be held firm for the first year of the contract. Pricing for the Market Basket may be amended semi-annually thereafter.



Section 7.1.3

Price increases *for the Market Basket* may be allowed after the first year of the contract provided that the changes are mutually agreed upon by both WSCA and the contractor(s) and conclusive evidence of a need for the price increase is substantiated by the Producer Price Index, Consumer Price Index or similar pricing guide, *or through manufacturer verification*. Any price decreases shall be passed along to the purchaser *upon the semi-annual price updates*.”

Similarly, Grainger proposes that Section 7.1.3 be clarified to read as follows:

Proposers must provide detailed fixed *discounts* for all categories in the Pricing Proposal section of this RFP.

Grainger requests these changes in order to preserve current industry practices including the audit process that is critical to many Participating Entities. By limiting price increases on items sold at a discount off a Contractor’s list price to an index, WSCA is in effect requiring Contractors to create a new list price which will apply solely to the WSCA contract. Contractors published list prices will no longer be the relevant reference price from which to validate accurate contract pricing. Given the hundreds of thousands of items that many Contractors offer the job of auditing will be more difficult and much more costly.

Creating new list prices for the WSCA contract, which could be different every six months, eliminates the transparency that a published list brings. Additionally, the ease of referencing a published list price for purposes of price comparison becomes time consuming and cumbersome and therefore more expensive.

Published lists are a fundamental resource in order to compare prices, for ease of auditing and for easy access to a market price. All these benefits will be lost and the result will actually be increased costs. It will be very challenging for the State of Nevada and Participating States to verify a Contractor’s pricing. Instead of validating discounts off a published list, one will first need to establish what the Contractor’s list price was and what period of time it covered. Only then will one be able to calculate the appropriate discount off that list price to validate that the correct prices were charged. The pricing transparency that a published list provides will be lost.



<p>Section 3.2 FOB DESTINATION</p>	<p>Page 9</p>	<p>Grainger requests that the FOB Destination clause be clarified. Grainger will provide FOB Destination for standard ground delivery to all 50 states, including Alaska and Hawaii. Grainger requests that clarification be provided and that Participating Entities be responsible for expedited freight, special deliveries or other delivery charges.</p>
<p>Section 4.7 - REPORTING CAPABILITIES</p>	<p>Page 14</p>	<p>Grainger’s reporting capability represents enormous investment in proprietary technology that assists us in discerning a customer’s ongoing and changing needs. It allows detailed evaluation of technical and logistic demands which we, in working with the customer, use to chart a path to best meet requirements. We believe sincerely that our investment in this area is a competitive edge and contributes significantly to the quality of our products and service. We ask that the refined capabilities of this service be protected from those unwilling to make this investment. We request that for reports and compilations beyond those needed to provide core transparency under the agreement, such as fulfilling a WSCA member basic reporting requirement, that such reports and information be treated as proprietary and confidential.</p> <p>We propose that this matter be clarified during negotiations.</p>
<p>Section 7.1.2 - PRICE CEILING CLAUSE</p>	<p>Page 18</p>	<p>Grainger requests clarification on the Price Ceiling Clause, as amended by the Questions and Answers. The questions and answers amended this clause to read as follows:</p> <p>Contract prices represent ceiling prices for the supplies and services priced in the award(s). Contractors may offer, at their discretion, special discounted pricing to a Participating State for large quantity orders or other circumstances.</p> <p>Grainger requests that this clause be further amended to include not just special discounted pricing but also “other more favorable terms”, and to clarify that “such offers will not reestablish ceiling prices.” We propose that the new amended read as follows:</p> <p>Contract prices represent ceiling prices for the supplies and services priced in the award(s). Contractors may offer, at their discretion, special discounted pricing <i>and other more favorable terms</i> to a Participating State for large quantity orders or other circumstances <i>and such offers shall not constitute reestablishing ceiling prices.</i></p>



<p>Section 24 of the MSA – INDEMNIFICATION</p>	<p>Page 40</p>	<p>Grainger requests that the Indemnification requirements and related Hold Harmless requirements in the contract terms be amended to be consistent with each other and within the clauses. To that extent, and as an example, Grainger requests that the all indemnification hold harmless and defense requirements relate to “Grainger’s negligence and/or willful acts or omissions in performance of the contract”. These changes would be consistent with the provisions in our current contract.</p>
<p>Section 35 – WARRANTIES</p>	<p>Page 41 and 42</p>	<p>Grainger provides standard warranties, and Grainger proposes that its standard warranty language apply similar to the language in Grainger’s current contract with WSCA. Grainger suggests that subsections (a) and (d) of Section 35a are not consistent with recognized commercial practices for warranty language, and we propose that they be deleted. In this regard, Section 42 of the model Master Service Agreement is an integration clause, a common commercial practice. Yet, subsections 35a(a) and 35a(d) conceivably would require reliance on oral statements to establish oral express warranties and implied warranties of fitness for intended purpose. Disclaimers of both kinds of warranties are common in commercial and government contracting.</p>
<p>Attachment BB - INSURANCE SCHEDULE</p>	<p>Page 44 and 45</p>	<p>Grainger requests the opportunity to discuss the Insurance requirements. We believe that we can easily satisfy the Insurance requirements and come to an understanding that will be satisfactory to WSCA.</p>
<p>Standard WSCA Terms - PATENTS, COPYRIGHTS, ETC.</p>	<p>Page 52</p>	<p>Grainger proposes that the Patent Indemnification Section be clarified to apply to “infringement of any patent, trademark, or copyright arising out of Contractor’s performance.” We also propose that unpatented and uncopyrighted be deleted and that Contractor’s be notified of claims so that they have notice of the issue and can fulfill their obligation rights.</p>

Attach additional sheets if necessary. Please use this format.

This document must be submitted in the “State Documents” section/tab of proposers’ technical proposal

Subcontractor Attachment B
(not applicable)

Attachment C

CONTRACT FORM

The following State Contract Form is provided as a courtesy to proposers interested in responding to this RFP. Please review the terms and conditions in this form, as this is the standard contract used by the State for all services of independent contractors. It is not necessary for proposers to complete the Contract Form with their proposal responses.

All proposers are required to submit a Certificate of Insurance in the “State Documents tab/section of their technical proposal identifying the coverages and minimum limits currently in effect.

Please pay particular attention to the insurance requirements, as specified in paragraph 16 and Attachment BB of the attached contract.

As with all other requirements of this RFP, proposers may take exception to any of the terms in the Contract Form, including the required insurance limits. Exceptions will be considered during the evaluation process.

Unless specified as above, the insurance minimum limits will be negotiated at the time the State issues a Letter of Intent to Award.

Certificate of Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/14/2010

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

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

PRODUCER 1-630-773-3800 Arthur J. Gallagher Risk Management Services, Inc. Two Pierce Place Itasca, IL 60143	CONTACT NAME: Nicole Nelson PHONE (A/C No. Ext): 312-803-7435 FAX (A/C, No): E-MAIL ADDRESS: nicole_nelson@ajg.com PRODUCER CUSTOMER ID #:														
INSURED W.W. Grainger, Inc. and its subsidiaries, affiliates and divisions, including GHC Specialty Brands, LLC (formerly known as Lab Safety Supply, Inc.) 100 Grainger Parkway Lake Forest, IL 60045	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: DISCOVER PROP & CAS INS CO</td> <td>36463</td> </tr> <tr> <td>INSURER B: FIDELITY & GUAR INS UNDERWRITERS INC</td> <td>25879</td> </tr> <tr> <td>INSURER C: US FIDELITY & GUARANTY CO</td> <td>25887</td> </tr> <tr> <td>INSURER D: FIDELITY & GUAR INS CO</td> <td>35386</td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: DISCOVER PROP & CAS INS CO	36463	INSURER B: FIDELITY & GUAR INS UNDERWRITERS INC	25879	INSURER C: US FIDELITY & GUARANTY CO	25887	INSURER D: FIDELITY & GUAR INS CO	35386	INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A: DISCOVER PROP & CAS INS CO	36463														
INSURER B: FIDELITY & GUAR INS UNDERWRITERS INC	25879														
INSURER C: US FIDELITY & GUARANTY CO	25887														
INSURER D: FIDELITY & GUAR INS CO	35386														
INSURER E:															
INSURER F:															

COVERAGES

CERTIFICATE NUMBER: 17375460


REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC		D009L00048	01/01/10	01/01/11	EACH OCCURRENCE	\$ 3,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
						MED EXP (Any one person)	\$
						PERSONAL & ADV INJURY	\$ 3,000,000
						GENERAL AGGREGATE	\$ 3,000,000
						PRODUCTS - COMP/OP AGG	\$ 3,000,000
							\$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		D009A00102	01/01/10	01/01/11	COMBINED SINGLE LIMIT (Ea accident)	\$ 2,000,000
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
							\$
							\$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE	\$
						AGGREGATE	\$
							\$
							\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y <input checked="" type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	D009W00184 (HI)	01/01/10	01/01/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	
C			D009W00186 Retro	01/01/10	01/01/11	E.L. EACH ACCIDENT	\$ 1,000,000
D			D009W00183 (AOS)	01/01/10	01/01/11	E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
A			D009W00185 (NV,NJ)	01/01/10	01/01/11	E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
C	ExcessWorkersCompensation		D009X00021 (OH)	01/01/10	01/01/11	EL Each Accident	1,000,000
						EL Disease-Ea EE	1,000,000
						EL Policy Limit	1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Retro Policy applies to following states (AZ, AK, MA, OR, WI)

CERTIFICATE HOLDER**CANCELLATION**

Western States Contracting Alliance (WSCA) Attn: Gail Burchett 515 East Musser Street Carson City, NV 89701 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
---	--

Master Service Agreement

for

Services of Independent Contractor

MASTER SERVICE AGREEMENT FOR SERVICES OF INDEPENDENT CONTRACTOR

A Contract between the Western States Contracting Alliance
Acting by and through the State of Nevada

(NAME, ADDRESS, PHONE AND FACSIMILE NUMBER OF CONTRACTING AGENCY)

And

(NAME, CONTACT PERSON, ADDRESS, PHONE, FACSIMILE NUMBER OF INDEPENDENT CONTRACTOR)

Pursuant to Nevada Revised Statute (NRS) 277.100, NRS 277.110, NRS 333.162(1) (d), and NRS 333.480 the Chief of the Purchasing Division of Nevada is authorized to enter into cooperative group-contracting consortium.

The Western States Contracting Alliance is a cooperative group-contracting consortium for state government departments, institutions, agencies and political subdivisions (e.g., colleges, school districts, counties, cities, etc.) for the states of Alaska, Arizona, California, Colorado, Hawai'i, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington and Wyoming.

In consideration of the above premises, the parties mutually agree as follows:

1. **REQUIRED APPROVAL.** This contract shall not become effective until and unless approved by the Western States Contracting Alliance Board of Directors.
2. **DEFINITIONS.** "WSCA" means the Western States Contracting Alliance. "State" and/or "Lead State" means the State of Nevada and its state agencies, officers, employees and immune contractors as defined in NRS 41.0307. "Participating State(s)" means state(s) that have executed a Participating Addendum. "Buyer" means any state agency or political subdivision participating under this contract. "Contractor" and/or Contracting Agency" means a person or entity that performs services and/or provides goods under the terms and conditions set forth in this contract. "Solicitation" means RFP #1862 incorporated herein as Attachment AA. "Fiscal Year" is defined as the period beginning July 1 and ending June 30 of the following year.
3. **CONTRACT TERM.** This contract shall be effective from _____ subject to the WSCA Directors' approval to _____, unless sooner terminated by either party as specified in paragraph (21).
4. **NOTICE.** Unless otherwise stated in the special terms and conditions, any contract entered into as a result of the Solicitation may be canceled by either party upon written notice sixty (60) days prior to the effective date of the cancellation. Further, any Participating State may cancel its participation upon thirty (30) days written notice, unless otherwise limited or stated in the special terms and conditions of the Solicitation. 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 any Participating State to indemnification by the Contractor, rights of payment for goods/services delivered and accepted, and rights attending any warranty or default in performance in association with any order. Cancellation of the contract due to Contractor default may be immediate.

5. INCORPORATED DOCUMENTS. The parties agree that the scope of work shall be specifically described; this contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT AA: SOLICITATION #_____ (Scope of Work) and
ATTACHMENTS (list attachments);

ATTACHMENT BB: INSURANCE REQUIREMENTS

ATTACHMENT CC: CONTRACTOR'S RESPONSE

A Contractor's attachment shall not contradict or supersede any WSCA specifications, terms or conditions without written evidence of mutual assent to such change appearing in this contract.

6. ASSENT. The parties agree that the terms and conditions listed on incorporated attachments of this contract are also specifically a part of this contract and are limited only by their respective order of precedence and any limitations specified.

7. PROPOSAL SPECIFICATIONS. Contractor certifies that any deviation from the specifications in the scope of work, incorporated herein as part of Attachment AA, have been clearly indicated by Contractor in its response, incorporated herein as Attachment BB; otherwise, it will be considered that the proposal is in strict compliance. Any BRAND NAMES or manufacturers' numbers are stated in the specifications are intended to establish a standard only and are not restrictive unless the Solicitation states "no substitute," and unless so stated, proposals have been considered on other makes, models or brands having comparable quality, style, workmanship and performance characteristics. Alternate proposals offering lower quality or inferior performance have not been considered.

8. ACCEPTANCE OR REJECTION OF PROPOSALS, AND AWARD. WSCA has the right to accept or reject any or all proposals or parts of proposals, and to waive informalities therein. This contract is based the lowest responsive and responsible proposal and meets the specifications of the Solicitation and terms and conditions thereof. Unless stated otherwise in the Solicitation, WSCA has the right to award items separately or by grouping items in a total lot.

9. PROPOSAL SAMPLES. Any required samples have been specifically requested in the Solicitation. Samples, when required, have been furnished free of charge. Except for those samples destroyed or mutilated in testing, samples will be returned at a proposer's request, transportation collect.

10. CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph (5) at the offered pricing. Unless otherwise stated in the special terms and conditions, for the purpose of award, offers made in accordance with the Solicitation must be good and firm for a period of ninety (90) days from the date of proposal opening. Contracted prices represent ceiling prices for the supplies and services offered. The Contractor shall report to the Lead State any price reduction or discount, or other more favorable terms offered to any Purchasing Entity

and the Contractor agrees to negotiate in good faith to re-establish ceiling prices or other more favorable terms and conditions applicable to future orders. In the case of error in the extension of prices in the proposal, the unit prices will govern. WSCA does not guarantee to purchase any amount under this contract. Estimated quantities in the Solicitation are for proposal purposes only and are not to be construed as a guarantee to purchase any amount. Unless otherwise stated in the special terms and conditions offers made in accordance with the Solicitation must be good and firm for a period of ninety (90) days from the date of proposal opening. Proposal prices must remain firm for the full term of the contract. In the case of error in the extension of prices in the proposal, the unit prices will govern. If Contractor has quoted a cash discount based upon early payment; discounts offered for less than thirty (30) days have not been considered in making the award. The date from which discount time is calculated shall be the date a correct invoice is received or receipt of shipment, whichever is later; except that if testing is performed, the date shall be the date of acceptance of the merchandise. WSCA is not liable for any costs incurred by the proposer in proposal preparation.

11. PAYMENT. Payment for completion of a contract is normally made within forty five (45) days following the date the entire order is delivered or the date a correct invoice is received, whichever is later. Payments will be remitted by mail. Payments may be made via a Participating State's "Purchasing Card."

12. TAXES. Prices shall be exclusive of state sales and federal excise taxes. Where a Participating State is not exempt from sales taxes on sales within its state, the Contractor shall add the sales taxes on the billing invoice as a separate entry. Contractor will be responsible to pay all taxes, assessments, fees, premiums, permits, and licenses required by law. The Lead State's real property and personal property taxes are the responsibility of Contractor in accordance with NRS 361.157 and NRS 361.159. Contractor agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this contract. Nevada may set-off against consideration due any delinquent government obligation in accordance with NRS 353C.190.

13. FINANCIAL OBLIGATIONS OF PARTICIPATING STATES. Financial obligations of Participating States are limited to the orders placed by the departments or other state agencies and institutions having available funds. Participating States incur no financial obligations on behalf of political subdivisions. Unless otherwise specified in the Solicitation, the resulting award(s) will be permissive.

14. ORDER NUMBERS. Contract order and purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.

15. REPORTS. The Contractor shall submit quarterly reports to the WSCA Contract Administrator showing the quantities and dollar volume of purchases by each Participating State.

16. DELIVERY. The prices proposed shall be the delivered price to any Participating State, agency or political subdivision. All deliveries shall be F.O.B. destination with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage shall remain with the Contractor until final inspection and acceptance, when responsibility shall pass to the Buyer except as to latent defects, fraud and Contractor's warranty obligations. Any portion of an order to be shipped without transportation charges that is back-ordered shall be shipped without charge.

17. HAZARDOUS CHEMICAL INFORMATION. The Contractor will provide one set of the appropriate material safety data sheet(s) and container label(s) upon delivery of a hazardous

material to any Buyer. All safety data sheets and labels will be in accordance with each Participating State's requirements.

18. INSPECTIONS. Goods furnished under this contract shall be subject to inspection and test by the Buyer at times and places determined by the Buyer. If the Buyer finds goods furnished to be incomplete or in non-compliance with proposal specifications, the Buyer may reject the goods and require Contractor to either correct them without charge or deliver them at a reduced price which is equitable under the circumstances. If Contractor is unable or refuses to correct such goods within a time deemed reasonable by the Buyer, the Buyer may cancel the order in whole or in part. Nothing in this paragraph shall adversely affect the Buyer's rights including the rights and remedies associated with revocation of acceptance under the Uniform Commercial Code.

19. INSPECTION & AUDIT.

a. Books and Records. The Contractor will maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for pricings authorized by this contract. Contractor agrees to keep and maintain under generally accepted accounting principles (GAAP) full, true and complete records, contracts, books, and documents as are necessary to fully disclose to WSCA, the State or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all state and federal regulations and statutes.

b. Inspection & Audit. Contractor agrees that the relevant books, records (written, electronic, computer related or otherwise), including, without limitation, relevant accounting procedures and practices of Contractor or its subcontractors, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of Contractor where such records may be found, with or without notice by WSCA; the United States Government; the State Auditor or its contracted examiners, the Department of Administration, Budget Division, the Nevada State Attorney General's Office or its Fraud Control Units, the State Legislative Auditor, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives. All subcontracts shall reflect requirements of this paragraph.

c. Period of Retention. All books, records, reports, and statements relevant to this contract must be retained a minimum four (4) years after the contract terminates or until all audits initiated within the four (4) years have been completed, whichever is later, and for five (5) years if any federal funds are used in the contract. The retention period runs from the date of payment for the relevant goods or services by the State, or from the date of termination of the Contract, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

20. CONTRACT TERMINATION. Any of the following events shall constitute cause for WSCA to declare Contractor in default of the contract: (1) nonperformance of contractual requirements; and/or (2) a material breach of any term or condition of this contract. WSCA shall issue a written notice of default providing a period in which Contractor shall have an opportunity to cure. Time allowed for cure shall not diminish or eliminate Contractor's liability for liquidated or other damages. If the default remains, after Contractor has been provided the opportunity to cure, WSCA may do one or more of the following: (1) exercise any remedy

provided by law; (2). terminate this contract and any related contracts or portions thereof; (3) impose liquidated damages; and/or (4) suspend Contractor from receiving future proposal solicitations.

Winding Up Affairs upon Termination. In the event of termination of this contract for any reason, the parties agree that the provisions of this paragraph survive termination:

i. The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to offset under this contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;

ii. Contractor shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by WSCA;

iii. Contractor shall execute any documents and take any actions necessary to effectuate an assignment of this contract if so requested by WSCA;

iv. Contractor shall preserve, protect and promptly deliver into WSCA's possession all proprietary information in accordance with paragraph (31).

21. REMEDIES. Except as otherwise provided for by law or this contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and pricings. It is specifically agreed that reasonable attorneys' fees shall include without limitation \$125 per hour for attorneys employed by the Lead State. Nevada may offset consideration against any unpaid obligation of Contractor to any State agency in accordance with NRS 353C.190.

22. LIMITED LIABILITY. Nevada will not waive and intends to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise specified in the incorporated attachments. Damages for any breach by the Lead State shall never exceed the amount of funds appropriated for payment under this contract, but not yet paid to Contractor, for the fiscal year budget in existence at the time of the breach. Damages for any Contractor breach shall not exceed 150% of the contract maximum "not to exceed" value. Contractor's tort liability shall not be limited.

23. FORCE MAJEURE. Neither party to this contract shall be deemed to be in violation of this contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the contract after the intervening cause ceases. WSCA may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.

24. INDEMNIFICATION. To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend, not excluding the State's right to participate, Nevada from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and pricings, arising out of any alleged negligent or willful acts or omissions of Contractor, its officers, employees and agents. The Contractor shall release, protect, indemnify and hold WSCA and the Participating States and their officers, agencies, employees, harmless from and against any damage, pricing or liability, including reasonable attorney's fees

for any or all injuries to persons, property or claims for money damages arising from acts or omissions of the contractor, his employees or subcontractors or volunteers.

25. INSURANCE SCHEDULE. Unless expressly waived in writing by the Lead State or Participating States, Contractor, as an independent contractor and not an employee of the Lead State or Participating States, must carry policies of insurance in amounts specified in this Insurance Schedule and/or any Insurance Schedule agreed by Contractor and a Participating State via a participating addendum, and pay all taxes and fees incident hereunto. The Lead State and Participating States shall have no liability except as specifically provided in the contract. The Contractor shall not commence work before:

1) Contractor has provided the required evidence of insurance to the Lead State.

The Lead State's approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent to this contract. Any failure of the Lead State to timely approve shall not constitute a waiver of the condition.

26. COMPLIANCE WITH LEGAL OBLIGATIONS. Any and all supplies, services and equipment proposal and furnished shall comply fully with all applicable Federal and State laws and regulations. Contractor shall procure and maintain for the duration of this contract any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this contract. The Lead State may offset against consideration due any delinquent government obligation in accordance with NRS 353C.190.

27. WAIVER OF BREACH. Failure to declare a breach or the actual waiver of any particular breach of the contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

28. SEVERABILITY. If any provision of this contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular provision held to be invalid.

29. PUBLIC RECORDS. Pursuant to NRS 239.010, information or documents received from Contractor may be open to public inspection and copying. The State will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. Contractor may label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 333.333, provided that Contractor thereby agrees to indemnify and defend the State for honoring such a designation. The failure to so label any document that is released by the State shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

30. CONFIDENTIALITY. Contractor shall keep confidential all information, in whatever form, produced, prepared, observed or received by Contractor to the extent that such information is confidential by law or otherwise required by this contract.

31. NONDISCRIMINATION. Contractor agrees to abide by the provisions of Title VI and Title VII of the Civil Rights Act of 1964 (42 USC 2000e), which prohibit discrimination against any employee or applicant for employment, or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to a proposal by Executive Order No. 11246, as amended, which prohibits discrimination on basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age, and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of

disabilities. Contractor further agrees to furnish information and reports to requesting Participating Entities, upon request, for the purpose of determining compliance with these statutes. Contractor agrees to comply with each individual Participating State's certification requirements, if any, as stated in the special terms and conditions. This contract may be canceled if the Contractor fails to comply with the provisions of these laws and regulations. Contractor must include this provision in every subcontract relating to purchases by the States to insure that subcontractors and proposers are bound by this provision.

32. FEDERAL FUNDING. In the event federal funds are used for payment of all or part of this contract:

a. Contractor certifies, by signing this contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

b. Contractor and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

c. Contractor and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions.)

33. LOBBYING. The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

a. Any federal, state, county or local agency, legislature, commission, counsel or board;

b. Any federal, state, county or local legislator, commission member, council member, board member, or other elected official; or

c. Any officer or employee of any federal, state, county or local agency; legislature, commission, counsel or board.

34. NON-COLLUSION. Contractor certifies that this contract and the underlying proposal, have been arrived at independently and have been without collusion with, and without any agreement, understanding or planned common course of action with, any other proposer of materials, supplies, equipment or services described in the invitation to proposal, designed to limit independent proposaling or competition.

35. WARRANTIES.

a. Uniform Commercial Code. The Contractor acknowledges that the Uniform Commercial Code applies to this contract. In general, the contractor warrants that: (a) the product will do what the salesperson said it would do, (b) the product will live up to all specific claims that the manufacturer makes in their advertisements, (c) the product will be suitable for the ordinary purposes for which such product is used, (d) the product will be suitable for any special purposes that the Buyer has relied on the Contractor's skill or judgment to consider.

- b. General Warranty. Contractor warrants that all services, deliverables, and/or work product under this contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications set forth in the incorporated attachments; and shall be fit for ordinary use, of good quality, with no material defects.
- c. System Compliance. Contractor warrants that any information system application(s) shall not experience abnormally ending and/or invalid and/or incorrect results from the application(s) in the operating and testing of the business of the State. This warranty includes, without limitation, century recognition, calculations that accommodate same century and multicentury formulas and data values and date data interface values that reflect the century.
36. CONFLICT OF INTEREST. Contractor certifies that it has not offered or given any gift or compensation prohibited by the state laws of any Participating State to any officer or employee of WSCA or Participating States to secure favorable treatment with respect to being awarded this contract.
37. INDEPENDENT CONTRACTOR. Contractor shall be an independent contractor, and as such shall have no authorization, express or implied to bind WSCA or the Participating States to any agreements, settlements, liability or understanding whatsoever, and agrees not to perform any acts as agent for WSCA or the states, except as expressly set forth herein.
38. POLITICAL SUBDIVISION PARTICIPATION. Participation under this contract by political subdivisions (e.g., colleges, school districts, counties, cities, etc.,) of the Participating States shall be voluntarily determined by the political subdivision. The Contractor agrees to supply the political subdivisions based upon the same terms, conditions and prices.
39. PROPER AUTHORITY. The parties hereto represent and warrant that the person executing this contract on behalf of each party has full power and authority to enter into this contract. Contractor acknowledges that as required by statute or regulation this contract is effective only after approval by the WSCA Directors and only for the period of time specified in the contract. Any services performed by Contractor before this contract is effective or after it ceases to be effective are performed at the sole risk of Contractor. 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.
40. GOVERNING LAW; JURISDICTION. This contract and the rights and obligations of the parties hereto shall be governed and construed in accordance with the laws of the state of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. The parties consent to the exclusive jurisdiction of the First Judicial District Court, Carson City, Nevada for enforcement of this contract. The construction and effect of any Participating Addendum or order against the contract(s) shall be governed by and construed in accordance with the laws of the Participating State. Venue for any claim, dispute or action concerning an order placed against the contract(s) or the effect of a Participating Addendum or shall be in the Purchasing State.
41. SIGNATURES IN COUNTERPART. Contract may be signed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one in the same instrument.
42. ENTIRE CONTRACT AND MODIFICATION. This contract and its integrated attachment(s) constitute the entire agreement of the parties and such are intended as a complete and exclusive

statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this contract specifically displays a mutual intent to amend a particular part of this contract, general conflicts in language between any such attachment and this contract shall be construed consistent with the terms of this contract. The terms of this contract shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the WSCA Contract Administrator.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be signed and intend to be legally bound thereby.

Independent Contractor's Signature

Date Independent's Contractor's Title

Signature

Date Title

Greg Smith, Administrator, State of Nevada

On _____
(Date)

Approved as to form by:

Deputy Attorney General for Attorney General

On _____
(Date)

ATTACHMENT BB INSURANCE SCHEDULE

Insurance Coverage: The Contractor shall, at the Contractor's sole expense, procure, maintain and keep in force for the duration of the contract the following insurance conforming to the minimum requirements specified below. Unless specifically stated herein or otherwise agreed to by the Lead State, the required insurance shall be in effect prior to the commencement of work by the Contractor and shall continue in force as appropriate until the latter of:

1. Final acceptance by the Lead State of the completion of this contract; or
2. Such time as the insurance is no longer required by the Lead State under the terms of this contract.

Any insurance or self-insurance available to the State shall be excess of and non-contributing with any insurance required from Contractor. Contractor's insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by the Lead State, Contractor shall provide the Lead State with renewal or replacement evidence of insurance no less than thirty (30) days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by the contract, an insurer or surety shall fail to comply with the requirements of this contract, as soon as Contractor has knowledge of any such failure, Contractor shall immediately notify the State and immediately replace such insurance or bond with an insurer meeting the requirements.

Workers' Compensation and Employer's Liability Insurance

- 1) Contractor shall provide proof of worker's compensation insurance.
- 2) Employer's Liability insurance with minimum limits of \$500,000 each employee per accident for bodily injury by accident or disease.

Commercial General Liability Insurance

- 1) Minimum Limits required:
 - \$2,000,000.00** General Aggregate
 - \$1,000,000.00** Products & Completed Operations Aggregate
 - \$ 0.00** Personal and Advertising Injury
 - \$1,000,000.00** Each Occurrence
- 2) Coverage shall be on an occurrence basis and shall be at least as broad as ISO 1996 form CG 00 01 (or a substitute form providing equivalent coverage); and shall cover liability arising from premises, operations, independent contractors, completed operations, personal injury, products, civil lawsuits, Title VII actions and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

Business Automobile Liability Insurance

- 1) Minimum Limit required: **\$500,000.00** Each Occurrence for bodily injury and property damage.
- 2) Coverage shall be for "any auto" (including owned, non-owned and hired vehicles).
The policy shall be written on ISO form CA 00 01 or a substitute providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

Professional Liability Insurance – (may be required by some participating States)

- 1) Minimum Limit required: \$ _____ Each Claim
- 2) Retroactive date: Prior to commencement of the performance of the contract
- 3) Discovery period: Three (3) years after termination date of contract.
- 4) A certified copy of this policy may be required.

Umbrella or Excess Liability Insurance

- 1) May be used to achieve the above minimum liability limits.
- 2) Shall be endorsed to state it is “As Broad as Primary Policy”

General Requirements:

- b. Waiver of Subrogation: Each liability insurance policy shall provide for a waiver of subrogation as to additional insureds.
- c. Cross-Liability: All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.
- d. Deductibles and Self-Insured Retentions: Insurance maintained by Contractor shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by the Lead State or Participating States. Such approval shall not relieve Contractor from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed five thousand dollars (\$5,000.00) per occurrence, unless otherwise approved.
- e. Policy Cancellation: Except for ten (10) days notice for non-payment of premium, each insurance policy shall be endorsed to state that; without thirty (30) days prior written notice to the Lead State, the policy shall not be canceled, non-renewed or coverage and /or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mail to the address identified on page 1 of the contract.
- f. Approved Insurer: Each insurance policy shall be:
 - 1) Issued by insurance companies authorized to do business in the Lead State and Participating States or eligible surplus lines insurers acceptable to the Lead State and Participating States and having agents upon whom service of process may be made, and
 - 2) Currently rated by A.M. Best as “A- VII” or better.

Evidence of Insurance

Prior to the start of any Work, Contractor must provide the following documents to the Lead State:

- 1) Certificate of Insurance: The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to the State to evidence the insurance policies and coverages required of Contractor.
- 2) Schedule of Underlying Insurance Policies: If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlyer Schedule from the Umbrella or Excess insurance policy may be required.

Review and Approval: Documents specified above must be submitted for review and approval by the Lead State prior to the commencement of work by Contractor. Neither approval by the Lead State nor failure to disapprove the insurance furnished by Contractor shall relieve Contractor of Contractor's full responsibility to provide the insurance required by this contract. Compliance with the insurance requirements of this contract shall not limit the liability of Contractor or its sub-contractors, employees or agents to the Lead State or others, and shall be in addition to and not in lieu of any other remedy available to the Lead State or Participating States under this contract or otherwise. The Lead State reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

Mail all required insurance documents to the Lead State (Nevada).

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

_____	_____	_____
Independent Contractor's Signature	Date	Independent's Contractor's Title
_____	_____	_____
Signature- State of Nevada	Date	Title

Attachment D

Reference Questionnaire

Attachment D

REFERENCE QUESTIONNAIRE

The State of Nevada, as a part of the RFP process, requires proposing proposers to submit business references as required within this document. The purpose of these references is to document the experience relevant to the scope of work and provide assistance in the evaluation process.

The proposing proposer or subcontractor is required to complete Part A and send the following reference form to each business reference listed for completion of Part B. The business reference, in turn, is requested to submit the Reference Form directly to the State of Nevada, Purchasing Division by the requested deadline for inclusion in the evaluation process. The business reference may be contacted for validation of the response.

Questions regarding the reference form or process, contact the designee listed on the cover page.

References have been provided by Grainger's customers directly to WSCA, in accordance with the RFP instructions. Grainger has confirmed that the Lead State has received our references by the deadline of October 1, 2010.

RFP #1862 REFERENCE QUESTIONNAIRE
FOR:
A Multi-state Contract for Facilities Maintenance, Lighting Products,
Industrial Supplies and Tools

Part A:

(Name of company requesting reference)

As Primary Proposer

As Subcontractor of _____
Name of Primary Proposer

Part B:

This form is being submitted to your company for completion as a business reference for the company listed above. This form is to be returned to the State of Nevada, Purchasing Division, via e-mail at srvpurch@purchasing.state.nv.us at (775) 684-0188, Attn: Keli Hardcastle no later than October 1, 2010 @ 5:00 p.m. PT and **must not** be returned to the company requesting the reference. When contacting us, please be sure to include the Request for Proposal number listed at the top of this page.

CONFIDENTIAL INFORMATION WHEN COMPLETED

Company providing reference:	
Contact name and title/position	
Contact telephone number	
Contact e-mail address	

QUESTIONS:

1. In what capacity have you worked with this proposer in the past?
 COMMENTS:

2. How would you rate this firm's knowledge and expertise?
 ____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)
 COMMENTS:

3. How would you rate the proposer's flexibility relative to changes in the project scope and timelines?
 ____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)
 COMMENTS:

4. What is your level of satisfaction with hard-copy materials produced by the proposer?
____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)
COMMENTS:

5. How would you rate the dynamics/interaction between the proposer and your staff?
____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)
COMMENTS:

6. Who were the proposer's principal representatives involved in your project and how would you rate them individually? Would you comment on the skills, knowledge, behaviors or other factors on which you based the rating?
____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)
Name: _____ Rating:
Name: _____ Rating:
Name: _____ Rating:
Name: _____ Rating:
COMMENTS:

7. How satisfied are you with the products developed by the proposer?
____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)
COMMENTS:

8. With which aspect(s) of this proposer's services are you most satisfied?
COMMENTS:

9. With which aspect(s) of this proposer's services are you least satisfied?
COMMENTS:

10. Would you recommend this proposer's services to your organization again?
COMMENTS:

Attachment E

WSCA Terms and Conditions

Standard Contract Terms and Conditions
Western States Contracting Alliance
Request for Proposal

PARTICIPANTS: The Western States Contracting Alliance (herein WSCA) is a cooperative group contracting consortium for state government departments, institutions, agencies and political subdivisions (e.g., colleges, school districts, counties, cities, etc.) for the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington and Wyoming. Other states and their political subdivisions are also eligible to participate in WSCA contracts. Obligations under this contract are limited to those Participating States who have signed a Participating Addendum where contemplated by the solicitation. Financial obligations of Participating States are limited to the orders placed by the departments or other state agencies and institutions having available funds. Participating States incur no financial obligations on behalf of political subdivisions. Unless otherwise specified in the solicitation, the resulting award(s) will be permissive.

QUALITY ESTIMATES: WSCA does not guarantee to purchase any amount under the contract to be awarded. Estimated quantities are for the purposes of submitting proposals only and are not to be construed as a guarantee to purchase any amount.

SPECIFICATIONS: Any deviation from specifications must be clearly indicated by offeror, otherwise, it will be considered that the proposal is in strict compliance. When BRAND NAMES or manufacturers' numbers are stated in the specifications they are intended to establish a standard only and are not restrictive unless the RFP states "No substitute". Proposals will be considered on other makes, models or brands having comparable quality, style, workmanship and performance characteristics. Alternate proposals offering lower quality or inferior performance will not be considered.

ACCEPTANCE OR REJECTION OF PROPOSALS: WSCA reserves the right to accept or reject any or all proposals or parts of proposals, and to waive informalities therein.

SAMPLES: Generally, when required, samples will be specifically requested in the Request for Proposals. Samples, when required, are to be furnished free of charge. Except for those samples destroyed or mutilated in testing, samples will be returned at a offeror's request, transportation collect.

CASH DISCOUNT TERMS: Offeror may quote a cash discount based upon early payment; however, discounts offered for less than 30 days will not be considered in making the award. The date from which discount time is calculated shall be the date a correct invoice is received or receipt of shipment, whichever is later; except that if testing is performed, the date shall be the date of acceptance of the merchandise.

TAXES: Proposal prices shall be exclusive of state sales and federal excise taxes. Where the state government entities are not exempt from sales taxes on sales within their state, the contractor shall add the sales taxes on the billing invoice as a separate entry.

MODIFICATION OR WITHDRAWAL OF PROPOSALS: Proposals may be modified or withdrawn prior to the time set for the opening of proposals. After the time set for the opening of proposals no proposal may be modified or withdrawn, unless done in response to a request for a "Best and Final Offer" from WSCA.

PATENTS, COPYRIGHTS, ETC.: The Contractor shall release, indemnify and hold the Buyer, its officers, agents and employees harmless from liability of any kind or nature, including the Contractor's use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of this contract.

AWARD: WSCA may award multiple contracts as the result of this solicitation. Awards shall be made to the responsible offeror(s) whose proposal is determined to be the most advantageous to WSCA, taking into consideration price and the other evaluation factors set forth in the RFP.

NON-COLLUSION: By signing the proposal the offeror certifies that the proposal submitted, has been arrived at independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the Request for Proposal, designed to limit independent bidding or competition.

CANCELLATION: Unless otherwise stated in the special terms and conditions, any contract entered into as a result of this bid may be canceled by either party upon 60 days notice, in writing, prior to the effective date of the cancellation. Further, any Participating State may cancel its participation upon 30 days written notice, unless otherwise limited or stated in the special terms and conditions of this solicitation. 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 and Purchasing Entity to indemnification by the Contractor, rights of payment for goods/services delivered and accepted, and rights attending any warranty or default in performance in association with any order. Cancellation of the contract due to Contractor default may be immediate.

DEFAULT AND REMEDIES: Any of the following events shall constitute cause for WSCA to declare Contractor in default of the contract: 1. Nonperformance of contractual requirements; 2. A material breach of any term or condition of this contract WSCA shall issue a written notice of default providing a period in which Contractor shall have an opportunity to cure. Time allowed for cure shall not diminish or eliminate Contractor's liability for liquidated or other damages. If the default remains, after Contractor has been provided the opportunity to cure, WSCA may do one or more of the following: 1. Exercise any remedy provided by law; 2. Terminate this contract and any related contracts or portions thereof; 3. Impose liquidated damages; 4. Suspend contractor from receiving future proposal solicitations.

LAWS AND REGULATIONS: Any and all supplies, services and equipment offered and furnished shall comply fully with all applicable Federal and State laws and regulations.

CONFLICT OF TERMS: In the event of any conflict between these standard terms and conditions and any special terms and conditions which follow; the special terms and conditions shall govern.

REPORTS: The contractor shall submit quarterly reports to the WSCA Contract Administrator showing the quantities and dollar volume of purchases by each agency.

HOLD HARMLESS: The contractor shall release, protect, indemnify and hold WSCA and the respective states and their officers, agencies, employees, harmless from and against any damage, cost or liability, including reasonable attorney's fees for any or all injuries to persons, property or claims for money damages arising from acts or omissions of the contractor, his employees or subcontractors or volunteers.

ORDER NUMBERS: Contract order and purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.

GOVERNING LAW: This procurement and the resulting agreement shall be governed by and construed in accordance with the laws of the state sponsoring and administering the procurement. The construction and effect of any Participating Addendum or order against the contract(s) shall be governed by and construed in accordance with the laws of the Participating Entity's State. Venue for any claim, dispute or action concerning an order placed against the contract(s) or the effect of an Participating Addendum shall be in the Purchasing Entity's State.

DELIVERY: The prices offered shall be the delivered price to any Participating State agency or political subdivision. All deliveries shall be F.O.B. destination with all transportation and handling charges paid by the contractor. Responsibility and liability for loss or damage shall remain the Contractor until final inspection and acceptance when responsibility shall pass to the Buyer except as to latent defects, fraud and Contractor's warranty obligations. The minimum shipment amount 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.

WARRANTY: As used herein "Buyer" refers to any Participating State agency or political subdivision. The contractor acknowledges that the Uniform Commercial Code applies to this contract. In general, the contractor warrants that: (a) the product will do what the salesperson said it would do, (b) the product will live up to all specific claims that the manufacturer makes in their advertisements, (c) the product will be suitable for the ordinary purposes for which such product is used, (d) the product will be suitable for any *special purposes* that the Buyer has relied on the contractor's skill or judgment to consider.

AMENDMENTS: The terms of this contract shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the WSCA Contract Administrator.

ASSIGNMENT/SUBCONTRACT: Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the WSCA Contract Administrator.

NONDISCRIMINATION: The offeror agrees to abide by the provisions of Title VI and Title VII of the Civil Rights Act of 1964 (42 USC 2000e), which prohibit discrimination against any employee or applicant for employment, or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age, and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. The offeror further agrees to furnish information and reports to requesting State(s), upon request, for the purpose of determining compliance with these statutes. Offeror agrees to comply with each individual state's certification requirements, if any, as stated in the special terms and conditions. This contract may be canceled if the offeror fails to comply with the provisions of these laws and regulations. The offeror must include this provision in every subcontract relating to purchases by the States to insure that subcontractors and vendors are bound by this provision.

SEVERABILITY: If any provision of this contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular provision held to be invalid.

INSPECTIONS: Goods furnished under this contract shall be subject to inspection and test by the Buyer at times and places determined by the Buyer. If the Buyer finds goods furnished to be incomplete or in compliance with proposal specifications, the Buyer may reject the goods and require Contractor to either correct them without charge or deliver them at a reduced price, which is equitable under the circumstances. If Contractor is unable or refuses to correct such goods within a time deemed reasonable by the Buyer, the Buyer may cancel the order in whole or in part. Nothing in this paragraph shall adversely affect the Buyer's rights including the rights and remedies associated with revocation of acceptance under the Uniform Commercial Code.

PAYMENT: Payment for completion of an contract 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 up to a maximum rate of one percent per month on the outstanding balance. Payments will be remitted by mail. Payments may be made via a State or political subdivision "Purchasing Card".

FORCE MAJEURE: Neither party to this contract shall be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. WSCA may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.

HAZARDOUS CHEMICAL INFORMATION: The contractor will provide one set of the appropriate material safety data sheet(s) and container label(s) upon delivery of a hazardous material to the user agency. All safety data sheets and labels will be in accordance with each participating state's requirements.

FIRM PRICE: Unless otherwise stated in the special terms and conditions, for the purpose of award, offers made in accordance with this solicitation must be good and firm for a period of ninety (90) days from the date of proposal opening. Prices must remain firm for the full term of the contract.

EXTENSION OF PRICES: In the case of error in the extension of prices in the proposal, the unit prices will govern.

PROPOSAL PREPARATION COSTS: WSCA is not liable for any costs incurred by the offeror in proposal preparation.

CONFLICT OF INTEREST: The contractor certifies that it has not offered or given any gift or compensation prohibited by the state laws of any WSCA participants to any officer or employee of WSCA or participating states to secure favorable treatment with respect to being awarded this contract.

INDEPENDENT CONTRACTOR: The contractor shall be an independent contractor, and as such shall have no authorization, express or implied to bind WSCA or the respective states to any agreements, settlements, liability or understanding whatsoever, and agrees not to perform any acts as agent for WSCA or the states, except as expressly set forth herein.

POLITICAL SUBDIVISION PARTICIPATION: Participation under this contract by political subdivisions (i.e., colleges, school districts, counties, cities, etc.) of the Participating States shall be voluntarily determined by the political subdivision. The contractor agrees to supply the political subdivisions based upon the same terms, conditions and prices.

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. If the contractor cannot certify this statement, attach a written explanation for review by WSCA.

RECORDS ADMINISTRATION: The contractor will maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the contractor for costs authorized by this contract. These records will be retained by the contractor for at least four years after the contract terminates, or until all audits initiated within the four years have been completed, whichever is later.

AUDIT OF RECORDS: The contractor agrees to allow WSCA, State and Federal auditors, and state agency staff access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.

ENTITY PARTICIPATION: Use of specific WSCA cooperative contracts by state agencies, political subdivisions and other 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.

Revision date: June 2010

Attachment F

Sample Intent to Participate (Participating Addendum)

SAMPLE PARTICIPATING ADDENDUM

1. **Scope:** This addendum covers the WSCA Industrial Supplies Contract lead by the State of Nevada for use by state agencies and other entities located in the Participating State authorized by that state's statutes to utilize state contracts.

2. **Participation:** Use of specific WSCA cooperative contracts by state agencies, political subdivisions and other entities (including cooperatives) authorized by an 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 State Chief Procurement Official.

3. **Participating State Modifications or Additions to Master Price Agreement:**

(These modifications or additions apply only to actions and relationships within the executing Participating State.)

(Replace this with specific changes or a statement that No Changes Are Required)

4. **Lease Agreements:**

Lease Agreements Are NOT Authorized By This Contract

5. **Primary Contacts:** The primary government contact individuals for this participating addendum are as follows (or their named successors):

Lead State

Name: Gail Burchett
Address: Nevada Department of Administration, Purchasing Division,
515 E. Musser Street Suite 300, Carson City, NV 89701
Telephone: (775) 684-0172
Fax: (775) 684-0188
E-mail: gburchet@purchasing.state.nv.us

Contractor

Name:
Address:
Telephone:
Fax;
E-mail:

Participating State (Entity)

Name:

Address:
Telephone:
Fax:
E-mail:

6. Subcontractors:

NO servicing subcontractors are permitted under this contract.

7. Price Agreement Number: All purchase orders issued by purchasing entities within the jurisdiction of this participating addendum shall include the Participating State contract number: [insert appropriate number] and the Lead State price agreement number: XXXX.

This Participating Addendum and the Master Price Agreement number XXXX (administered by the State of Nevada) together with its exhibits, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Addendum and the Price Agreement, together with its exhibits, shall not be added to or incorporated into this Addendum or the Price Agreement and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Addendum and the Price Agreement and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms within the Participating State.

8. Compliance with reporting requirements of the “American Recovery and Reinvestment Act of 2009” (“ARRA”): If or when contractor is notified by ordering entity that a specific purchase or purchases are being made with ARRA funds, contractor agrees to comply with the data element and reporting requirements as currently defined in Federal Register Vol 74 #61, Pages 14824-14829 (or subsequent changes or modifications to these requirements as published by the Federal OMB). Ordering entity is responsible for informing contractor as soon as the ordering entity is aware that ARRA funds are being used for a purchase or purchases. Contractor will provide the required report to the ordering entity with the invoice presented to the ordering entity for payment. The contractor, as it relates to purchases under this contract, is not a subcontractor or subgrantee, but simply a provider of goods and related services.

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

Participating State/Entity:	Contractor:
-----------------------------	-------------

By:	By:
Name:	Name:
Title:	Title:
Date:	Date:

[Additional signatures as required by Participating State]

Attachment G

States Intending to Participate

STATES WITH NO ADDITIONAL TERMS AND CONDITIONS:

(please note that all States reserve the right to negotiate additional terms or conditions into their Participating Addendums)

- Alaska
- Arkansas
- Colorado
- Connecticut
- Florida
- Georgia
- Hawaii
- Idaho
- Iowa
- Louisiana
- Minnesota
- Mississippi
- Missouri
- Montana
- Nebraska
- Nevada
- New Mexico
- North Carolina
- North Dakota
- Ohio
- Rhode Island
- South Carolina
- South Dakota
- Tennessee
- Utah
- West Virginia

STATES INTENDING TO PARTICIPATE THAT HAVE PROVIDED UNIQUE TERMS AND CONDITIONS

- Arizona
- Delaware
- Maine
- Vermont
- Washington

ADDITIONAL OR UNIQUE TERMS AND CONDITIONS PER STATE

Arizona

1. DEFINITIONS:

“Attachment” means any item the Solicitation requires the Offeror to submit as part of the Offer.

“Contract” means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.

"Contract Amendment" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.

“Contractor” means any person who has a Contract with the State.

“Days” means calendar days unless otherwise specified.

“Exhibit” means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.

“Gratuity” means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.

“Materials” means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.

“Procurement Officer” means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.

“Services” means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.

“Subcontract” means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.

“State” means the State of Arizona and Department or Agency of the State that executes the Contract.

“State Fiscal Year” means the period beginning with July 1 and ending June 30.

2. CONTRACT INTERPRETATION

- 2.1 Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes(A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3 Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order (i) Special Terms and Conditions; (ii) Uniform Terms and Conditions; (iii) Statement or Scope of Work; (iv) Specifications; (v) Attachments; (vi) Exhibits; (vii) Documents referenced or included in the Solicitation.
- 2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6 No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7 No Waiver. Either party’s failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. CONTRACT ADMINISTRATION AND OPERATION

- 3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other “records” relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-9 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3 Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor’s or any subcontractor’s books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor’s processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost the materials to be supplied under this Contract. Neither inspection of the Contractor’s facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines

- noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8 Offshore Performance of Work Prohibited. Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.
- 3.9 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world.
- Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

4. COST AND PAYMENTS

- 4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

- 4.2 Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 4.3 Applicable Taxes. The Contractor shall be responsible for paying all applicable taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.
- 4.4 Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
- 4.5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions: Accept a decrease in price offered by the contractor; Cancel the Contract; or Cancel the contract and re-solicit the requirements.

5. CONTRACT CHANGES

- 5.1 Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontractor shall incorporate by reference the terms and conditions of this Contract.
- 5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. RISK AND LIABILITY

- 6.1 Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2 Indemnification – Contractor/Vendor Indemnification (Not Public Agency). The parties to this contract agree that the State of Arizona, its' departments, agencies, boards and

commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence.

- 6.2 Indemnification – Public Agency Language Only. Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'Indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers."
- 6.3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.
- 6.4 Force Majeure. Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence. Force Majeure shall not include the following occurrences: Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market; Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.
- 6.5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern

materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. WARRANTIES

- 7.1 Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.
- 7.2 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be: Of a quality to pass without objection in the trade under the Contract description; Fit for the intended purposes for which the materials are used; Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units; Adequately contained, packaged and marked as the Contract may require; and Conform to the written promises or affirmations of fact made by the Contractor.
- 7.3 Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- 7.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- 7.5 Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- 7.6 IT 508 Compliance. Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this solicitation shall comply with A.R.S. 41-2531 and 2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.
- 7.7 Survival of Rights and Obligations after Contract Expiration or Termination. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.
- 7.8 Federal Immigration and Nationality Act. By entering into the Contract, the Contractor warrants compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract. The State may request verification of compliance for any Contractor or subcontractor performing work under the Contract.

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

- 7.9 Offshore Performance of Work. Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the proposal.
- 7.10 Scrutinized Business Operations. Pursuant to A.R.S. § 35-391.06 and § 35-393.06, the Contractor certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section the term "scrutinized business operations" shall have the meanings set forth in A.R.S. § 35-391 or and § 35-393, as applicable.

8. STATE'S CONTRACTUAL REMEDIES

- 8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2 Stop Work Order. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning

the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9 CONTRACT TERMINATION

- 9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- 9.2 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 9.3 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
- 9.4 Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
- 9.5 Termination for Default. In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor

- shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
- 9.6 Continuation of Performance through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10 CONTRACT DISPUTES

- 10.1 Claims. All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.
- 10.2 Arbitration. The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12- 1518, except as may be required by other applicable statutes (Title 41).

DELAWARE

CONTRACTOR EMERGENCY RESPONSE POINT OF CONTACT:

The Contractor shall provide a manned emergency group with established emergency processes and procedures available at an 800 number that can be contacted twenty-four (24) hours a day, seven (7) days a week for response in the event of a critical need for commodities or services when the Governor of the State of Delaware declares a state of emergency under the State of Delaware Emergency Operations Plan.

DOCUMENT(S) EXECUTION:

The awarded vendor(s) is required to complete the new **W-9** Form by visiting the Division of Accounting's Website: <http://accounting.delaware.gov>

MAINE

2. **GOVERNING LAW** This Agreement shall be governed in all respects by the laws, statutes, and regulations of the United States of America and of the State of Maine. Any legal proceeding against the State regarding this Agreement shall be brought in State of Maine administrative or judicial forums. The Contractor consents to personal jurisdiction in the State of Maine.

3. **STATE HELD HARMLESS** The Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims, costs, expenses, injuries, liabilities, losses and damages of every kind and description (hereinafter in this paragraph referred to as "claims") resulting from or arising out of the performance of this Agreement by the Contractor, its employees, agents, or subcontractors. Claims to which this indemnification applies include, but without limitation, the following: (i) claims suffered or incurred by any contractor, subcontractor, materialman, laborer and any other person, firm, corporation or other legal entity (hereinafter in this paragraph referred to as "person") providing work, services, materials, equipment or supplies in connection with the performance of this Agreement; (ii) claims arising out of a violation or infringement of any proprietary right, copyright, trademark, right of privacy or other right arising out of publication, translation, development, reproduction, delivery, use, or disposition of any data, information or other matter furnished or used in connection with this Agreement; (iii) Claims arising out of a libelous or other unlawful matter used or developed in connection with this Agreement; (iv) claims suffered or incurred by any person who may be otherwise injured or damaged in the performance of this Agreement; and (v) all legal costs and other expenses of defense against any asserted claims to which this indemnification applies. This indemnification does not extend to a claim that results solely and directly from (i) the Department's negligence or unlawful act, or (ii) action by the Contractor taken in reasonable reliance upon an instruction or direction given by an authorized person acting on behalf of the Department in accordance with this Agreement.

4. **NON-APPROPRIATION** Notwithstanding any other provision of this Agreement, if the State does not receive sufficient funds to fund this Agreement and other obligations of the State, if funds are de-appropriated, or if the State does not receive legal authority to expend funds from the Maine State Legislature or Maine courts, then the State is not obligated to make payment under this Agreement.

VERMONT

Additional Terms and Conditions to the NASPO Terms and Conditions and Required Forms Cooperative Procurements

1. **Confidentiality:** The successful response will become part of the contract file and will become a matter of public record as will all other responses received. If the response includes material that is considered by the bidder to be proprietary and confidential under 1 VSA, Chapter 5, the bidder shall clearly designate the material as such, explaining why such material should be considered confidential. The bidder must identify each page or section of the response that it believes is proprietary and confidential with sufficient grounds to justify each exemption from release, including the prospective harm to the competitive position of the bidder if the identified material were to be released. Under no circumstances can the entire response or price information be marked confidential. Responses so marked may not be considered.

2. **Appropriations:** If this contract extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this contract, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of exiting appropriation authority.

3. **Independence, Liability:** The Contractor will act in an independent capacity and not as officers or employees of the State. The Contractor shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Contractor or of any agent of the Contractor. The State shall notify the Contractor in the event of any such claim or suit, and the Contractor shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. After a final judgment or settlement the Contractor may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Contractor shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Contractor. The Contractor shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Contractor.

4. **Insurance:** Before commencing work on this contract the contractor must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the contractor to maintain current certificates of insurance on file with the state through the term of the contract. *Workers Compensation:* With respect to all operations performed, the contractor shall carry workers' compensation insurance in accordance with the laws of the State of Vermont. *General Liability and Property Damage:* With respect to all operations performed under the contract, the contractor shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations

Products and Completed Operations

Personal Injury Liability

Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence

\$1,000,000 General Aggregate

\$1,000,000 Products/Completed Operations Aggregate

\$ 50,000 Fire/ Legal/Liability

Contractor shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this contract.

Automotive Liability: The contractor shall carry automotive liability insurance covering all motor vehicles, including hired and non owned coverage, used in connection with the contract. Limits of coverage shall not be less than: \$1,000,000 combined single limit. Contractor shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this contract. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the

interests of the contractor for the contractor's operations. These are solely minimums that have been established to protect the interests of the State.

5. **Set Off:** The State may set off any sums which the Contractor owes the State against any sums due the Contractor under this contract; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

6. **No Gifts or Gratuities:** Contractor shall not give title, or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this contract.

7. **Certification for apparel, footwear, and textiles (sweatshop prohibition):** Before commencing work on this contract, the contractor must provide certification from each supplier that meets the requirements of 29 V.S.A. §922(a) as well as a list of the names and addresses of each supplier, as required by 29 V.S.A. §922(b). Contractor certifies that if, at any time during the contract period, there are changes to the information in the certification or to the list of suppliers the contractor will promptly inform the Commissioner of Buildings and General Services of such changes.

RFP: INDUSTRIAL SUPPLIES

DATE: August 20, 2010

CERTIFICATE OF COMPLIANCE

This form must be completed in its entirety and submitted as part of the response for the proposal to be considered valid.

TAXES: Pursuant to 32 V.S.A. § 3113, bidder hereby certifies, under the pains and penalties of perjury, that the company/individual is in good standing with respect to, or in full compliance with a plan to pay, any and all taxes due to the State of Vermont as of the date this statement is made. A person is in good standing if no taxes are due, if the liability for any tax that may be due is on appeal, or if the person is in compliance with a payment plan approved by the Commissioner of Taxes.

INSURANCE: Bidder certifies that the company/individual is in compliance with, or is prepared to comply with, the insurance requirements as detailed in Section 4 of the State of Vermont Additional Terms and Conditions to the NASPO Terms and Conditions and Required Forms Cooperative Procurements. Certificates of insurance must be provided prior to issuance of a contract and/or purchase order. If the certificate(s) of insurance is/are not received by the Office of Purchasing & Contracting within five (5) days of notification of award, the State of Vermont reserves the right to select another vendor. Please reference the RFP and/or RFQ # when submitting the certificate of insurance.

CERTIFICATION FOR APPAREL, FOOTWEAR, AND TEXTILES (SWEATSHOP PROHIBITION): Bidder certifies that the company/individual is in compliance with the requirements as detailed in Section 7 of the State of Vermont Additional Terms and Conditions to the NASPO Terms and Conditions and Required Forms Cooperative Procurements. The contractor must provide certification from each supplier that meets the requirements of 29 V.S.A. §922(a) as well as a list of the names and addresses of each supplier, as required by 29 V.S.A. §922(b). Contractor certifies that if, at any time during the contract period, there are changes to the information in the certification or to the list of supplier the contractor will promptly inform the Commissioner of Buildings and General Services of such changes. The state reserves the right to ask for additional information and / or certifications any time during the contract period. Failure of the vendor to comply with any provision of this certification will be considered a default of the vendor's contract obligations.

CONTRACT TERMS: The undersigned hereby acknowledges and agrees to the State of Vermont Additional Terms and Conditions to the NASPO Terms and Conditions and Required Forms Cooperative Procurements.

TERMS OF SALE: The undersigned agrees to furnish the products or services listed at the prices quoted. The Terms of Sales are Net 30 days from receipt of service or invoice, whichever is later. Percentage discounts may be offered for prompt payments of invoices, however such discounts must be in effect for a period of 30 days or more in order to be considered in making awards.

FORM OF PAYMENT: Would you accept the Visa Purchasing Card as a form of payment? ____ Yes
____ No

Insurance Certificate(s): Attached _____

Will provide upon notification of award _____

Delivery Offered: _____ days after notice of award

Terms of Sale: _____

(If Discount)

Quotation Valid for: _____ days Date: _____

Name of Company: _____

Contact Name: _____

Address: _____

Fax Number: _____

E-mail: _____

By: _____

Name: _____

Signature (Bid Not Valid Unless Signed) (Type or Print)

All returned quotes and related documents must be identified with our request for quote number.

Offshore Outsourcing Questionnaire

Vendors must indicate whether or not any services are or will be performed in a country other than the United States. Indicate N/A if not applicable.

Services:

Proposed Service to be Outsourced Bid Total Offshore Dollars Represents what % of total Contract Dollars. Outsourced Work Location (Country) Subcontractor If any or all of the services are or will be outsourced offshore, Vendors are required to provide a cost estimate of what the cost would be to provide the same services onshore and/or in Vermont. Proposed Service to be Outsourced Bid Total if provided Onshore Bid Total if provided in Vermont Cost Impact Onshore Work Location Subcontractor

Name of Bidder: Signature of Bidder: Date

ENVIRONMENTAL INFORMATION FORM

June 1, 2008

RECYCLED MATERIALS OR PRODUCTS:

All bidders are to complete the following information in reference to each item being quoted. Additional pages may be used if necessary.

ITEM # BRAND/MANUFACTURER % OF RECYCLED CONTENT % POST CONSUMER CONTENT

MERCURY CONTENT CERTIFICATION:

The undersigned hereby certifies that none of the items quoted in this RFQ/RFP and any contract issued as a result contain mercury except as identified below. Bidders shall also specify the amount of mercury contained in any of the products listed below. Additional pages may be used if necessary.

ITEM PART # MERCURY CONTENT

Name of Bidder: Signature of Bidder: Date:

TOWNS AND SCHOOLS QUESTIONNAIRE

PROVISIONS FOR THE PURCHASE OF SUPPLIES, MATERIALS, AND EQUIPMENT FOR TOWNS, SCHOOLS, POLITICAL SUBDIVISIONS, AND INDEPENDENT COLLEGES¹ OF THE STATE OF VERMONT

The Office of Purchasing & Contracting keeps a current file of the contracts that are available to the political subdivisions and colleges. We are continually interested in expanding this file and would appreciate a positive response to the following questions:

1. Will you furnish these products and services to the political subdivisions of the State of Vermont at the same prices, terms and conditions as you quoted in this response? Yes _____ No _____

_____ If no, kindly outline below the prices, terms, and conditions under which you will agree to supply these needs.

2. Will you furnish these products and services to the independent colleges of the State of Vermont at the same prices, terms and conditions as you quoted in this response? Yes _____ No _____ If no, kindly outline below the prices, terms, and conditions under which you will agree to supply these needs. It should be noted that if you agree to extend these contract terms and prices to the political subdivisions or to independent colleges, all such items furnished will be billed directly to and paid for by the political subdivision or college and neither the State of Vermont, nor its Commissioner of Buildings and General Services, personally or officially, assumes any responsibility.

RESPONSE TITLE: FIRM NAME:

DATE: BY:

¹Independent Colleges are "any institution of higher education chartered in VT and accredited or holding a certificate of approval from the State Board of Education."

Washington

WASHINGTON STATE SPECIAL TERMS AND CONDITIONS

In Conjunction With:

WESTERN STATES CONTRACTING ALLIANCE Cooperative Contract(s) for Facilities Maintenance, Lighting Products, Industrial Supplies and Tools

1.1 SALES & SUBCONTRACTOR REPORTS

The Contractor shall provide a Contract Usage Report to the Office of State Procurement on a quarterly basis in the electronic format provided by the Office of State Procurement at: <https://fortress.wa.gov/ga/apps/CSR/Login.aspx>.

Reports must be submitted electronically within 30 days after the end of the calendar quarter, i.e., no later than April 30th, July 31st, October 31st and January 31st.

1.2 OTHER REQUIRED REPORT(S)

Contractor may be required to provide a detailed annual Contract Sales History Report that may include, but is not limited to: product(s) description, part number(s), per unit quantities sold, contract price, etc. in an electronic format that can be read by MS Excel. Other required reports will be designed and approved by the parties by mutual agreement. Any reports required under this Contract must be delivered to the Contract Administrator.

1.3 CONTRACT ADMINISTRATION FEE

The Contract(s) will be subject to an Administration Fee. Contractor(s) will include this fee in its Bid pricing and not as a separate line item to Purchasers. The Contractor(s) will pay the Administrative Fee directly to the Department of General Administration on a quarterly basis and shall be due no later than 30 days after the end of each calendar quarter as specified in Item 1.1.

The Administration Fee will be 1% on all purchases made under the authority of the Contract, to customers in the State of Washington. Purchases are defined as total invoice price less sales tax. No taxes will be assessed against this Administration Fee.

1.4 RETENTION OF RECORDS

The Contractor shall maintain all books, records, documents, data and other evidence relating to this Contract and the provision of materials, supplies, services and/or equipment described herein, including, but not limited to, accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the Contract, shall be subject at all reasonable times to inspection, review, or audit by the Purchasing Activity, personnel duly authorized by the Purchasing Activity, the Washington State Auditor's Office, and Federal and State officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six year period, the records shall be retained until final resolution of all litigation, claims, or audit findings involving the records.

Attachment H

MARKET BASKET PRICING SCHEDULE

(See the Microsoft Excel spreadsheet labeled Pricing Schedule)

Please note: The embedded Market Basket file has been removed from Grainger's technical response and is included in Grainger's pricing response.

*If you are unable to access the above inserted file,
please contact Nevada State Purchasing at
srypurch@purchasing.state.nv.us
for an emailed copy.*

Attachment I

Percentage Off List Pricing Schedule for All Categories

Attachment I Percentage off list per category

Please see Grainger's Pricing Proposal for completed Attachment I

Company Name W.W. Grainger, Inc.

Please provide the percentage off of list pricing for any of the categories you want to propose in the table below. The proposed discount percentage must not exceed 4 digits to the right of the decimal point (i.e.10.3729% is acceptable while 10.37292% is not).

Category	Discount
1. HVAC	_____
2. Air Filters	_____
3. Lamps, Ballasts, Fixtures	_____
4. Cleaning	_____
5. Material Handling Repairs	_____
6. Security	_____
7. Motors and Accessories	_____
8. Electrical Repairs and Equipment	_____
9. Fasteners	_____
10. Batteries and Flashlights	_____
11. Outdoor Garden Supplies and Equipment	_____
12. Paint and Accessories	_____
13. Plumbing	_____
14. Pneumatic Tools	_____
15. Power Tools and Accessories	_____
16. Safety	_____
17. Hand Tools	_____
18. Welding and Soldering	_____

Note: This Price Schedule must be submitted together with Attachment H (Market Basket Pricing Schedule) to the State as a separate, sealed package and clearly marked: "Pricing Proposal in Response to RFP No. 1862" per the Submittal Instructions in Section 9.

Attachment J

Pre Proposal Submission Conference Registration Form

Attachment J
The State of Nevada Purchasing Division on behalf of WSCA
PRE PROPOSAL CONFERENCE ATTENDANCE FORM

RFP 1862
A Multi-State Contract for Facilities Maintenance,
Lighting Products, Industrial Supplies and Tools

This meeting is not mandatory.

The meeting date and time is:
Wednesday, September 8, 2010
Registration time: 1:00 p.m.
Meeting time: 2:00 p.m.

Grand Sierra Resort
Sierra Room, Mezzanine Level
2500 East Second Street
Reno, Nevada 89595

Vendors must submit this form to attend the conference.

We request that no more than three (3) persons attend per company.

Forms must be completed and returned
no later than September 7, 2010 @ 2:00 P.M.

Return completed form to:
Gail Burchett
Nevada State Purchasing Division
Email nvpurch@purchasing.state.nv.us
Fax (775) 684-0188

If form previously submitted, please do not re-submit

Name of Company represented:	Grainger Industrial Supply
Name of person(s) attending Pre-Proposal Conference	Doug D'Alessio
	Mario Marin
	Brian Driskel
Phone number:	916-372-5983
Fax number:	916-471-0515
Email:	Doug.M.D'Alessio@grainger.com



CAN'T FIND WHAT YOU ARE LOOKING FOR? CALL US.

In the Grainger Catalog, you can access hundreds of thousands of products across a wide array of facility maintenance product categories. But occasionally you can't find what you need right away. That's where our sourcing service comes in. We have access to the full product line for most of our catalog suppliers. We'll also track down other brands beyond the catalog. We have instant access to millions of products from thousands of suppliers.

What Are the Benefits?

- Save time and money by consolidating your unplanned purchasing through one supplier. Let Grainger be your single source of MRO supplies.
- We can help you navigate to the right product or repair part. Our experienced staff can get answers to quotes and inquiries within 24 hours.
- Save on process costs. We handle order tracking and expediting as well as invoice your current Grainger account.
- Eliminate service gaps with our ability to source and ship directly from our supplier to your facility.

Here's how it works:

Just call 1-800-CALL-WWG, your local Grainger branch, or your Grainger Account Manager and we'll take care of the rest. To find the Grainger Branch nearest you go to www.grainger.com/branchlocator.



Sourcing Beyond the Catalog

SERVICE SOLUTIONS

Full line suppliers in a wide variety of product categories.

Cleaning

Bobrick Washroom Equipment
 CP Industries
 Diversified Brands
 Georgia Pacific
 GOJO Industries
 Lagasse Brothers
 Minuteman
 MI-T-M
 Pitt Plastics
 Rubbermaid Commercial Products
 Rust-Oleum
 Superior/Notrax
 Tek Products
 Weiler Brush
 World Dryer
 United Receptacle

Electrical

Advance Electric
 Appleton
 AWP (American Wire Products)
 General Cable
 Leviton
 Omron Industrial Automation
 Power Cell Battery Products
 Square D
 Thomas & Betts
 3M
 Tripp Lite
 Wellmade Products
 Woodhead

Fasteners

ABC Spax
 Accurate Mfd. Products Group, Inc.
 APM Hexseal
 Celus Fasteners Mfg., Inc.
 Danaher Tool Group
 Earnest Machine Products Co.
 Hexagon Enterprises, Inc.
 I.G. Marston
 Lindstrom Metric, Inc.
 Mechanical Plastics Corp.
 Mega Metric
 Midwest Acorn Nut Company
 Porteous Fastener Company
 Precision Brand Products
 Prospect Fasteners
 Tamper Pruf Screws, Inc.
 TE-CO
 Vulcan Threaded Products, Inc.

Fleet Vehicle Maintenance

Balwin
 Exxon Mobile
 Hastings
 KD Tools
 MacNeil
 Plews
 SPX OTC
 Valvoline

Fluid Power

A Thomas Ind.
 Campbell Hausfeld
 Champion Pneumatic
 Chicago Pneumatic
 Dynaquip Controls
 Enerpac
 Hankison Division/Hansen
 Ingersoll Rand

Fluid Power cont...

Rietschle Thomas
 Stanley-Bostitch

Pneumatics

Enerpac
 Florida Pneumatic
 Gast Mfg.
 Geib Industries
 Norgren Actuator/Cylinder
 Reelcraft

HVAC

Adobe Air
 Broan-Nutone
 Filtration Group
 Fostoria
 G & O Thermal Supply
 GE Appliances
 Heatcraft Refrig. Products
 Honeywell
 Johnson Controls
 Madison Mfg.
 Marley Engineered Products
 Port-A-Cool
 Sterling
 White Rodgers
 York International

Lighting

Cooper Lighting
 Fostoria Industries
 GE Lighting
 Hubbell Lighting
 Lithonia – Acuity
 Lutron Electronics
 Pelican Products
 Spectrum Brands

Material Handling

AKRO Mils
 Albion
 Ashland Conveyor Products
 Best Diversified Products
 CE Clarke & Son
 CM Hoist
 Cotterman
 Durham Mfg.
 Edsal Mfg.
 ER Wagner Casters & Mfg.
 Folding Guard
 Genie
 Hallowell
 Hamilton Caster
 Harrington Hoists
 Interlake Material Handling
 Intermetro Industries
 Intertape Polymer
 Jarke
 JLG
 KI
 Lift Rite
 Lista
 Louisville Ladder
 Lyon Workspace Products
 Magline
 Metzgar Conveyer
 Nashville Wire Products
 National Partitions
 Pro-Line
 Rubbermaid Home Products
 SAFCO Products
 Signode

Southworth Products
 Stanley Vidmar
 Steel King
 Strong Hold Products
 T&S Equipment
 Tennsco
 Tri-Arc
 Werner
 WESCO

Metalworking

Alemite
 CRC Industries
 Graymills
 Greenfield
 Kennametal
 LA-CO Industries
 Lenox
 Loctite
 L.S. Starrett
 Miller Electric
 M.K. Morse
 Osborn International
 Precision Brand Products
 Saint-Gobain
 3M
 Victor Equipment Thermadyne

Motors

ACME-Miami
 A.O. Smith Electrical
 Bison Gear & Engineering
 Boston Gear
 Fasco Industries
 GE Commercial Motors
 Leeson Electric
 Merkle-Korff
 Nord Gear
 Regal Beloit

Pumps & Plumbing

Acorn Engineering
 American Machine Tool
 Amtrol
 Asco Valve
 Chicago Faucet
 Cuno
 Elkay
 FE Meyers
 Flint and Walling
 Goulds Pumps
 Halsey Taylor
 In Sink Erator
 Just Mfg.
 Little Giant Pump
 Moen
 Parker
 Rheem Manufacturing
 Sloan Valve
 The Berns
 Watts Regulator
 Wicor
 Zoeller

Safety

Air Systems International
 Aearo Company
 Ansell-Edmont
 Bacou-Dalloz/Sperian
 Best Manufacturing
 Biosystems
 Bradley
 Brady

Cortina
 Dalloz Fall Proteccion/Miller
 DuPont Personal Protection
 Eagle
 Howard Leight
 Industrial Scientific
 Justrite
 Lab Safety Supply
 Miller
 Mine Safety Appliances
 Mintie Technologies
 Moldex
 North Safety Products
 Perfect Fit Glove
 Sellstrom
 SPC (Sorbent Products Corp.)
 Steel Grip
 Survivair
 Tiscor
 Uvex
 Walter Kidde
 Wells Lamont
 W.H. Salisbury

Security

Alarm Clock
 Armstrong Ceiling Tiles
 Federal Signal
 Garrett
 G & K Hardware
 Ingersoll Rand Security Technologies
 Locknetics
 Masterlock
 Motorola
 Panasonic Security & Digital
 Ranger Security Detectors
 Speco Technologies
 Stanley Hardware
 The C.H. Hanson Company

Test Instruments & Precision Measuring

Advance Test/SPX Services
 AEMC Instruments
 Ashcroft
 Bacharach
 Dresser
 Dwyer
 Exttech
 Fluke Electronics
 Megger
 Simpson Electric

Tools

Black & Decker
 Greenlee Textron Tool
 Makita
 Milwaukee Electric
 MTI Mitutoyo
 Ridge Tool
 Robert Bosch
 WMH Tool Group

M-P358 8SP2823

©2009 W.W. Grainger, Inc.



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

ALABAMA OPERATIONS & EMPLOYEES

- Grainger has been part of the **Alabama business community since: 1946**
- **Number of Branch locations** throughout state: **6**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Birmingham (2), Decatur, Huntsville, Mobile and Montgomery
 - In 2009, Grainger **remitted** approximately **\$2.8 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **79 in Alabama.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Alabama:

- In 2009, Grainger donated more than \$18,000 to **Alabama** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades.** The company works with



industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

- SUSTAINABILITY**
- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award

GRAINGER – ALASKA



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

ALASKA OPERATIONS & EMPLOYEES

- Grainger has been part of the **Alaska business community since: 1989**
- **Number of Branch locations** throughout state: **2**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Anchorage and Fairbanks
 - In 2009, Grainger **remitted** approximately **\$410,000 in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **52 in Alaska.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Alaska:

- In 2009, Grainger's **Alaska** facilities contributed \$500 to the American Red Cross of America.
- In 2009, Grainger donated more than \$8,000 to **Alaska** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.



Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

ARIZONA OPERATIONS & EMPLOYEES

- Grainger has been part of the **Arizona business community since: 1954**
- **Number of Branch locations** throughout state: **5**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Gilbert, Phoenix(3) and Tucson
 - In 2009, Grainger **remitted** approximately **\$5.5 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **135 in Arizona.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Arizona:

- In 2009, Grainger's **Arizona** facilities contributed \$1,500 to nonprofit organizations in their local communities including Casa de los Ninos, Junior Achievement and Sojourner Center.
- In 2009, Grainger donated more than \$22,000 to **Arizona** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.



Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

ARKANSAS OPERATIONS & EMPLOYEES

- Grainger has been part of the **Arkansas business community since: 1954**
- **Number of Branch locations** throughout state: **4**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Ft. Smith, Jonesboro, Little Rock and Springdale
 - In 2009, Grainger **remitted** approximately **\$2.6 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **66 in Arkansas.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Arkansas:

- In 2009, Grainger's **Arkansas** facilities contributed \$1,200 to nonprofit organizations in their local communities including Ronald McDonald House Charities of Arkhoma, Ozark Affiliate of Susan Komen for the Cure and United Way of Northeast Arkansas.
- In 2009, Grainger donated more than \$43,200 to **Arkansas** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development



organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

CALIFORNIA OPERATIONS & EMPLOYEES

- Grainger has been part of the **California business community since: 1934**
- **Number of Branch locations** throughout state: **47**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Anaheim, Bakersfield, Berkeley, Burbank, Burlingame, Ceres, Chino, Chula Vista, Citrus Heights, Compton, Concord, El Cajon, Fremont, Fresno, Garden Grove, Hayward, Huntington Beach, Inglewood, Irwindale, Long Beach, Los Angeles (2), Northridge, Oxnard, Rancho Cucamonga, Redding, Riverside, Rohnert Park, Salinas, San Carlos, San Diego (2), San Francisco, San Jose (2), San Leandro, San Marcos, San Rafael, Santa Ana, Santa Clarita, Santa Fe Springs, Stockton, Sunnyvale, Thousand Palms, Torrance, West Sacramento
 - In 2009, Grainger **remitted** approximately **\$41 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed: approximately 985 in California.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in California:**

- In 2009, Grainger's **California** facilities contributed \$13,500 to nonprofit organizations in their local communities including American Indian Healing Center, Emergency Food Bank, Long Beach Community Foundation, Los Angeles Mission, Orange County Ronald McDonald House, Salvation Army of Medesto Senior Meals Program, San Rafael Santa Cop Program, Second Harvest Food Bank and Torrance-South Bay YMCA.
- In 2009, Grainger donated more than \$146,000 to **California** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to



help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-

GRAINGER – COLORADO



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

COLORADO OPERATIONS & EMPLOYEES

- Grainger has been part of the **Colorado business community since: 1939**
- **Number of Branch locations** throughout state: **11**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Boulder, Centennial, Colorado Springs, Denver (4), Fort Collins, Grand Junction, Pueblo and Wheat Ridge
 - In 2009, Grainger **remitted** approximately **\$4.2 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **220 in Colorado.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Colorado:

- In 2009, Grainger's **Colorado** facilities contributed \$3,500 to nonprofit organizations in their local communities including Colorado State University Foundation, St. Mary's Hospital Foundation, Susan G. Komen for the Cure Denver Metropolitan and YMCA of Boulder.
- In 2009, Grainger donated more than \$30,000 to **Colorado** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to



rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-

GRAINGER – CONNECTICUT



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

CONNECTICUT OPERATIONS & EMPLOYEES

- Grainger has been part of the **Connecticut business community since: 1960**
- **Number of Branch locations** throughout state: **6**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Danbury, Hartford, North Haven, Southington, Stamford and Milford
 - In 2009, Grainger **remitted** approximately **\$2.4 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **153 in Connecticut.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Connecticut:

- In 2009, Grainger's **Connecticut** facilities contributed \$2,000 to nonprofit organizations in their local communities including Easter Seal Goodwill Industries Rehabilitation Center, ECHN Community Healthcare Foundation and Waterside Coalition, Inc.
- In 2009, Grainger donated more than \$10,000 to **Connecticut** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants

GRAINGER – CONNECTICUT



to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



**GRAINGER
OVERVIEW**

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

**DELAWARE
OPERATIONS
&
EMPLOYEES**

- Grainger has been part of the **Delaware business community since: 1979**
- **Number of Branch locations** throughout state: **1**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Newcastle
 - In 2009, Grainger **remitted** approximately **\$140,000 in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **20 in Delaware.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

**COMMITMENT TO
LOCAL
COMMUNITIES**

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Delaware:

- In 2009, Grainger's **Delaware** facilities contributed \$500 to nonprofit organizations in their local communities including Food Bank of Delaware.
- In 2009, Grainger donated more than \$300 to **Delaware** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.



Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running**.
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

FLORIDA OPERATIONS & EMPLOYEES

- Grainger has been part of the **Florida business community since: 1942**
- **Number of Branch locations** throughout state: **24**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Altamonte Springs, Boca Raton, Clearwater, Daytona Beach, Doral, Fort Pierce, Ft. Meyers, Jacksonville (2), Lakeland, Miami (2), Ocala, Orlando, Pembroke Park, Pensacola, Pompano Beach, Sarasota, Tallahassee (2), Tampa (2), West Melbourne and West Palm Beach
 - In 2009, Grainger **remitted** approximately **\$10 million in taxes**. (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **511 in Florida**.
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in Florida:**

- In 2009, Grainger's **Florida** facilities contributed \$7,500 to nonprofit organizations in their local communities including American Red Cross, Boca Helping Hands, Miami Rescue Mission Treasure Coast Food Bank, Volusia County Schools and Wounded Warrior Project.
- In 2009, Grainger donated more than \$77,000 to **Florida** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.



Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

GEORGIA OPERATIONS & EMPLOYEES

- Grainger has been part of the **Georgia business community since: 1934**
- **Number of Branch locations** throughout state: **13**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Athens, Atlanta (2), Augusta, Austell, Columbus, Dalton, Forest Park, Garden City, Macon, Marietta, Norcross and Roswell
 - In 2009, Grainger **remitted** approximately **\$8 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **437 in Georgia.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Georgia:

- In 2009, Grainger's **Georgia** facilities contributed \$3,000 to nonprofit organizations in their local communities including American Cancer Society, Camp Twin Lakes Children's Miracle Network of Atlanta, Georgia Press Educational Foundation, Inc. and the Atlanta Community Food Bank.
- In 2009, Grainger donated more than \$42,000 to **Georgia** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to



rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

HAWAII OPERATIONS & EMPLOYEES

- Grainger has been part of the **Hawaii business community since: 1989**
- **Number of Branch locations** throughout state: **2**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Honolulu and Kaneohe Bay
 - In 2009, Grainger **remitted** approximately **\$1 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **39 in Hawaii.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Hawaii:

- In 2009, Grainger donated more than \$1,000 to **Hawaii** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades.** The company works with



industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

IDAHO OPERATIONS & EMPLOYEES

- Grainger has been part of the **Idaho business community since: 1978**
- **Number of Branch locations** throughout state: **1**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Location:** Boise
 - In 2009, Grainger **remitted** approximately **\$440,000 in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **13 in Idaho.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Idaho:

- In 2009, Grainger's **Idaho** facilities contributed \$500 to nonprofit organizations in their local communities including Meals on Wheels, Boise.
- In 2009, Grainger donated more than \$100 to **Idaho** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.



Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award


**GRAINGER
OVERVIEW**

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running**.
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

**ILLINOIS
OPERATIONS
&
EMPLOYEES**

- Grainger has been part of the **Illinois business community since: 1927**
- **Number of Branch locations** throughout state: **21**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Addison, Alsip, Arlington Heights, Aurora, Bensenville, Burr Ridge, Chicago (3), Downers Grove, Elgin, Franklin Park, Lake Forest, Morton Grove, Mundelein, North Chicago, Peoria, Rockdale (2), Waukegan and Wheeling
 - In 2009, Grainger **remitted** approximately **\$26 million in taxes**. (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **3,430 in Illinois**.
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

**COMMITMENT TO
LOCAL
COMMUNITIES**

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Illinois:

- In 2009, Grainger's **Illinois** facilities contributed \$5,000 to nonprofit organizations in their local communities including: Center for Independence through Conductive Education, Children's Hospital of Illinois, Claddagh Foundation, College of Lake County Foundation, Cystic Fibrosis Foundation – Greater IL Chapter, Greater Chicago Food Depository, HEROES, Homeward Bound, Juvenile Diabetes Research Foundation International, Liponi Foundation for Special Recreation, Moraine Valley Community College Foundation, National Multiple Sclerosis Society, William Rainey Harper College Educational Foundation and YouthBuild Lake County.
- In 2009, Grainger donated more than \$950,000 to **Illinois** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001,



"Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



**GRAINGER
OVERVIEW**

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

**INDIANA
OPERATIONS
&
EMPLOYEES**

- Grainger has been part of the **Indiana business community since: 1944**
- **Number of Branch locations** throughout state: **9**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Columbus, Elkhart, Evansville, Ft. Wayne, Gary, Indianapolis (2), Muncie and South Bend
 - In 2009, Grainger **remitted** approximately **\$4.8 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **139 in Indiana.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

**COMMITMENT TO
LOCAL
COMMUNITIES**

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in Indiana:**

- In 2009, Grainger's **Indiana** facilities contributed \$2,500 to nonprofit organizations in their local communities including American Cancer Society, Church Community Services, Greater Hammond Community Services, Inc. and Muncie Boys & Girls Club, Inc.
- In 2009, Grainger donated more than \$42,000 to **Indiana** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to



rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

IOWA OPERATIONS & EMPLOYEES

- Grainger has been part of the **Iowa business community since: 1946**
- **Number of Branch locations** throughout state: **4**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Cedar Rapids, Davenport, Des Moines, Sioux City
 - In 2009, Grainger **remitted** approximately **\$3.8 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **284 in Iowa.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Iowa:

- In 2009, Grainger's **Iowa** facilities contributed \$1,000 to nonprofit organizations in their local communities including Food Bank of Siouxland and Scott County Family YMCA.
- In 2009, Grainger donated more than \$69,000 to **Iowa** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.



Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

KANSAS OPERATIONS & EMPLOYEES

- Grainger has been part of the **Kansas business community since: 1957**
- **Number of Branch locations** throughout state: **3**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Lenexa, Topeka and Wichita
 - In 2009, Grainger **remitted** approximately **\$2.5 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **58 in Kansas.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Kansas:

- In 2009, Grainger's **Kansas** facilities contributed \$1,000 to nonprofit organizations in their local communities including SafeHome and United Way of Topeka.
- In 2009, Grainger donated more than \$24,000 to **Kansas** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.



Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION
2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-

**GRAINGER
OVERVIEW**

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running**.
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

**KENTUCKY
OPERATIONS
&
EMPLOYEES**

- Grainger has been part of the **Kentucky business community since: 1946**
- **Number of Branch locations** throughout state: **5**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Florence, Lexington, Louisville (2) and Paducah
 - In 2009, Grainger **remitted** approximately **\$2.8 million in taxes**. (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **74 in Kentucky**.
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

**COMMITMENT TO
LOCAL
COMMUNITIES**

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Kentucky:

- In 2009, Grainger's **Kentucky** facilities contributed \$1,000 to nonprofit organizations in their local communities including God's Food Pantry Bank and International Diabetic Athletes Association.
- In 2009, Grainger donated more than \$12,000 to **Kentucky** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.



Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award

**GRAINGER
OVERVIEW**

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

**LOUISIANA
OPERATIONS
&
EMPLOYEES**

- Grainger has been part of the **Louisiana business community since: 1939**
- **Number of Branch Locations** throughout state: **11**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Baton Rouge (2), Gonzales, Houma, Lafayette, New Iberia, New Orleans (2), Shreveport, Sulphur and West Monroe
 - In 2009, Grainger **remitted** approximately **\$6 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **198 in Louisiana.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

**COMMITMENT TO
LOCAL
COMMUNITIES**

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Louisiana:

- In 2009, Grainger's **Louisiana** facilities contributed \$1,500 to nonprofit organizations in their local communities including David Toms Foundation and HSEP Scotlandville Magnet High School (Engineering).
- In 2009, Grainger donated more than \$6,200 to **Louisiana** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development



organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

MAINE OPERATIONS & EMPLOYEES

- Grainger has been part of the **Maine business community since: 1965**
- **Number of Branch locations** throughout state: **1**
An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Location:** Portland
 - In 2009, Grainger **remitted** approximately **\$640,000 in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **17 in Maine.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Maine:

- In 2009, Grainger's **Maine** facilities contributed \$500 to nonprofit organizations in their local communities including the American Red Cross of Southern Maine and Junior Achievement.
- In 2009, Grainger donated more than \$2,400 to **Maine** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.



Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

MARYLAND OPERATIONS & EMPLOYEES

- Grainger has been part of the **Maryland business community since: 1944**
- **Number of Branch locations** throughout state: **6**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Annapolis Junction, Baltimore (2), Lanham, Rockville and Timonium
 - In 2009, Grainger **remitted** approximately **\$3.7 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **97 in Maryland.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in Maryland:**

- In 2009, Grainger's **Maryland** facilities contributed \$4,000 to nonprofit organizations in their local communities including Boy Scouts of America Baltimore Area Council and Boy Scouts of American National Capital Area Council.
- In 2009, Grainger donated more than \$11,000 to **Maryland** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development



organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

MASSACHUSETTS OPERATIONS & EMPLOYEES

- Grainger has been part of the **Massachusetts business community since: 1936**
- **Number of Branch locations** throughout state: **10**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Everett, Framingham, Lawrence, Norwood, South Boston, Springfield, Taunton, Watertown, Woburn and Worcester
 - In 2009, Grainger **remitted** approximately **\$3.9 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **130 in Massachusetts.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Massachusetts:

- In 2009, Grainger's **Massachusetts** facilities contributed \$3,750 to nonprofit organizations in their local communities including A Place to Turn, Inc., Alzheimer's Association-Massachusetts Chapter, Council of Social Concern, Lazarus House, Tailored for Success and Westwood Community Chest.
- In 2009, Grainger donated more than \$29,000 to **Massachusetts** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants



to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.
-

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

MICHIGAN OPERATIONS & EMPLOYEES

- Grainger has been part of the **Michigan business community since: 1936**
- **Number of Branch locations** throughout state: **14**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Ann Arbor, Auburn Hills, Detroit, Farmington Hills, Flint, Grand Rapids, Holland, Kalamazoo, Lansing, Madison Heights, Romulus, Saginaw, Traverse City and Warren
 - In 2009, Grainger **remitted** approximately **\$6.1 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **254 in Michigan.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in Michigan:**

- In 2009, Grainger's **Michigan** facilities contributed \$2,500 to nonprofit organizations in their local communities including Community Foundation of the Holland/Zeeland Area, Food Gatherers, Grand Rapids Community College Foundation, Relay for Life of Midland County and YMCA of Flint.
- In 2009, Grainger donated more than \$52,000 to **Michigan** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants



to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.
-

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

MINNESOTA OPERATIONS & EMPLOYEES

- Grainger has been part of the **Minnesota business community since: 1935**
- **Number of Branch locations** throughout state: **7**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Arden Hills, Bloomington, Duluth, Eden Prairie, Minneapolis, Plymouth and St. Paul
 - In 2009, Grainger **remitted** approximately **\$6 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **181 in Minnesota.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in Minnesota:**

- In 2009, Grainger's **Minnesota** facilities contributed \$3,000 to nonprofit organizations in their local communities including the Red Cross-Twin Cities Area Chapter, Junior Achievement and Hiawatha Homes Foundation.
- In 2009, Grainger donated more than \$38,000 to **Minnesota** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development



organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

MISSISSIPPI OPERATIONS & EMPLOYEES

- Grainger has been part of the **Mississippi business community since: 1967**
- **Number of Branch locations** throughout state: **2**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Jackson and Southaven
 - In 2009, Grainger **remitted** approximately **\$1.3 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **140 in Mississippi.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in Mississippi:**

- In 2009, Grainger's **Mississippi** facilities contributed \$500 to nonprofit organizations in their local communities including Clydesdale Christmas Store, Inc.
- In 2009, Grainger donated more than \$1,400 to **Mississippi** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.



Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award


**GRAINGER
OVERVIEW**

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running**.
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

**MISSOURI
OPERATIONS
&
EMPLOYEES**

- Grainger has been part of the **Missouri business community since: 1935**
- **Number of Branch locations** throughout state: **10**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Brentwood, Columbia, Fenton, Grandview, Kansas City, Maryland Heights, North Kansas City, O'Fallon, Springfield and St. Louis
 - In 2009, Grainger **remitted** approximately **\$8.1 million in taxes**. (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **607 in Missouri**.
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

**COMMITMENT TO
LOCAL
COMMUNITIES**

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Missouri:

- In 2009, Grainger's **Missouri** facilities contributed \$5,000 to nonprofit organizations in their local communities including Animal Protective Association of Missouri, Boone Center Workshop, Cancer Research Center, Court Appointed Special Advocates for Children, Emmaus Homes, Inc., Foundation Workshop and Hope House.
- In 2009, Grainger donated more than \$67,000 to **Missouri** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants



to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

MONTANA OPERATIONS & EMPLOYEES

- Grainger has been part of the **Montana business community since: 1965**
- **Number of Branch locations** throughout state: **1**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Location:** Billings
 - In 2009, Grainger **remitted** approximately **\$100,000 in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **14 in Montana.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Montana:

- In 2009, Grainger donated more than \$2,000 to **Montana** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades.** The company works with



industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



**GRAINGER
OVERVIEW**

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

**NEBRASKA
OPERATIONS
&
EMPLOYEES**

- Grainger has been part of the **Nebraska business community since: 1942**
- **Number of Branch locations** throughout state: **2**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Lincoln and Omaha
 - In 2009, Grainger **remitted** approximately **\$1.3 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **33 in Nebraska.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

**COMMITMENT TO
LOCAL
COMMUNITIES**

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Nebraska:

- In 2009, Grainger's **Nebraska** facilities contributed \$500 to nonprofit organizations in their local communities including the American Red Cross.
- In 2009, Grainger donated more than \$4,000 to **Nebraska** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.



Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION
2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-

GRAINGER – NEVADA



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

NEVADA OPERATIONS & EMPLOYEES

- Grainger has been part of the **Nevada business community since: 1975**
- **Number of Branch locations** throughout state: **3**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Henderson, Las Vegas and Sparks
 - In 2009, Grainger **remitted** approximately **\$2.4 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **59 in Nevada.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Nevada:

- In 2009, Grainger's **Nevada** facilities contributed \$1,500 to nonprofit organizations in their local communities including Opportunity Village and Truckee Meadows Boys & Girls Club Foundation.
- In 2009, Grainger donated more than \$10,000 to **Nevada** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.



Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-

GRAINGER – NEW HAMPSHIRE


**GRAINGER
OVERVIEW**

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

**NEW
HAMPSHIRE
OPERATIONS
&
EMPLOYEES**

- Grainger has been part of the **New Hampshire business community since: 1977**
- **Number of Branch locations** throughout state: **1**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Location:** Manchester
 - In 2009, Grainger **remitted** approximately **\$150,000 in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **33 in New Hampshire.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

**COMMITMENT TO
LOCAL
COMMUNITIES**

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in New Hampshire:

- In 2009, Grainger's **New Hampshire** facilities contributed \$500 to nonprofit organizations in their local communities including New Horizons for New Hampshire, Inc.
- In 2009, Grainger donated more than \$2,500 to **New Hampshire** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to



rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running**.
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

NEW JERSEY OPERATIONS & EMPLOYEES

- Grainger has been part of the **New Jersey business community since: 1933**
- **Number of Branch locations** throughout state: **12**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Atlantic City, Clifton, Cranford, Eatontown, Elizabeth, Fairfield, Mt. Laurel, North Bergen, Parsippany, South Plainfield, Teterboro and Trenton.
 - In 2009, Grainger **remitted** approximately **\$8.3 million in taxes**. (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **505 in New Jersey**.
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in New Jersey:**

- In 2009, Grainger's **New Jersey** facilities contributed \$17,500 to nonprofit organizations in their local communities including Bergen Community College, RWJ Hamilton Foundation and Trenton Public Education.
- In 2009, Grainger donated more than \$26,000 to **New Jersey** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to



rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



**GRAINGER
OVERVIEW**

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

**NEW MEXICO
OPERATIONS
&
EMPLOYEES**

- Grainger has been part of the **New Mexico business community since: 1962**
- **Number of Branch locations** throughout state: **2**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Albuquerque and Farmington
 - In 2009, Grainger **remitted** approximately **\$1.0 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **34 in New Mexico.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

**COMMITMENT TO
LOCAL
COMMUNITIES**

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in New Mexico:**

- In 2009, Grainger's **New Mexico** facilities contributed \$500 to nonprofit organizations in their local communities including Economic Council Helping Others, Inc.
- In 2009, Grainger donated more than \$800 to **New Mexico** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development



organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running**.
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

NEW YORK OPERATIONS & EMPLOYEES

- Grainger has been part of the **New York business community since: 1935**
- **Number of Branch locations** throughout state: **18**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Albany, Bohemia, Bronx, Brooklyn, Buffalo, East Syracuse, Elmsford, Hauppauge, Marcy, Maspeth, Melville, New Hyde Park, New York City (2), Newburgh, Rochester (2) and Vestal
 - In 2009, Grainger **remitted** approximately **\$12 million in taxes**. (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **316 in New York**.
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in New York:**

- In 2009, Grainger's **New York** facilities contributed \$6,250 to nonprofit organizations in their local communities including Central New York SPCA, Faxon St. Luke's Healthcare, Juvenile Diabetes Foundation International, Leukemia & Lymphoma Society, Inc., Long Island Care, Inc., Neighborhood Coalition for Shelter, Inc., New Jersey Fallen Soldiers Foundation, Safe Harbors of the Hudson Valley, The Food Bank for Westchester, Inc. and United Way of Broome Company.
- In 2009, Grainger donated more than \$94,600 to **New York** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to



respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

NORTH CAROLINA OPERATIONS & EMPLOYEES

- Grainger has been part of the **North Carolina business community since: 1947**
- **Number of Branch locations** throughout state: **12**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Asheville, Charlotte, Fayetteville, Gastonia, Greensboro, Greenville, Hickory, Matthews, Raleigh, Wilmington (2) and Winston Salem.
 - In 2009, Grainger **remitted** approximately **\$6.3 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **186 in North Carolina.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in North Carolina:

- In 2009, Grainger's **North Carolina** facilities contributed \$6,000 to nonprofit organizations in their local communities including American Red Cross, Cape Fear United Way, MANNA FoodBank, National Multiple Sclerosis Society and Second Harvest Food Bank of Metrolina.
- In 2009, Grainger donated more than \$70,000 to **North Carolina** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants



to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



**GRAINGER
OVERVIEW**

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

**NORTH DAKOTA
OPERATIONS
&
EMPLOYEES**

- Grainger has been part of the **North Dakota business community since: 1978**
- **Number of Branch locations** throughout state: **1**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Location:** Fargo
 - In 2009, Grainger **remitted** approximately **\$470,000 in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **16 in North Dakota.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

**COMMITMENT TO
LOCAL
COMMUNITIES**

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in North Dakota:

- In 2009, Grainger donated more than \$4,000 to **North Dakota** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to



developing future leaders within the industrial trades. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running**.
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

OHIO OPERATIONS & EMPLOYEES

- Grainger has been part of the **Ohio business community since: 1936**
- **Number of Branch locations** throughout state: **16**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Akron, Brooklyn Heights, Canton, Cincinnati (2), Columbus, Dayton, Franklin, Hamilton, Lima, Mansfield, Mentor, Perrysburg, Troy, Worthington and Youngstown.
 - In 2009, Grainger **remitted** approximately **\$7.1 million in taxes**. (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **470 in Ohio**.
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in Ohio:**

- In 2009, Grainger's **Ohio** facilities contributed \$3,500 to nonprofit organizations in their local communities including Akron-Canton Regional Food Bank, American Red Cross of Greater Columbus, Big Brothers Big Sisters of the Greater Miami Valley, Cincinnati State Technical College and The Food Bank, Inc.
- In 2009, Grainger donated more than \$80,000 to **Ohio** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants



to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

OKLAHOMA OPERATIONS & EMPLOYEES

- Grainger has been part of the **Oklahoma business community since: 1945**
- **Number of Branch locations** throughout state: **2**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Oklahoma City and Tulsa
 - In 2009, Grainger **remitted** approximately **\$3 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **84 in Oklahoma.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Oklahoma:

- In 2009, Grainger donated more than \$9,000 to **Oklahoma** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades.** The company works with



industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

OREGON OPERATIONS & EMPLOYEES

- Grainger has been part of the **Oregon business community since: 1945**
- **Number of Branch locations** throughout state: **5**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Clackamas, Eugene, Medford, Portland and Tigard.
 - In 2009, Grainger **remitted** approximately **\$880,000 in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **105 in Oregon.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Oregon:

- In 2009, Grainger's **Oregon** facilities contributed \$1,000 to nonprofit organizations in their local communities including Portland YouthBuilders and Sacred Heart Medical Center Foundation.
- In 2009, Grainger donated more than \$5,000 to **Oregon** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.



Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-

GRAINGER – PENNSYLVANIA


**GRAINGER
OVERVIEW**

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

**PENNSYLVANIA
OPERATIONS
&
EMPLOYEES**

- Grainger has been part of the **Pennsylvania business community since: 1942**
- **Number of Branch locations** throughout state: **18**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Bethlehem, Dunmore, Erie, Folcroft, Frazer, Harrisburg, Lancaster, Montgomeryville, Norristown, Philadelphia (2), Pittsburgh (3), Reading, Warminster, Wilkes Barre and York.
 - In 2009, Grainger **remitted** approximately **\$8 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **284 in Pennsylvania.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

**COMMITMENT TO
LOCAL
COMMUNITIES**

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Pennsylvania:

- In 2009, Grainger's **Pennsylvania** facilities contributed \$3,900 to nonprofit organizations in their local communities including Alex's Lemonade Stand Foundation, American Diabetes Association, Children's Advocacy Center of Erie County, Prostate Health International, Reading Education Foundation, Shriners Hospital for Children, UPCI – Saule (UPMC Cancer Center), Vocational Administrators of Pennsylvania and Wyoming Valley Red Cross.
- In 2009, Grainger donated more than \$79,000 to **Pennsylvania** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to



respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

RHODE ISLAND OPERATIONS & EMPLOYEES

- Grainger has been part of the **Rhode Island business community since: 1947**
- **Number of Branch locations** throughout state: **1**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Location:** Warwick
 - In 2009, Grainger **remitted** approximately **\$740,000 in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **27 in Rhode Island.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Rhode Island:

- In 2009, Grainger donated more than \$11,000 to **Rhode Island** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to



developing future leaders within the industrial trades. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

SOUTH CAROLINA OPERATIONS & EMPLOYEES

- Grainger has been part of the **South Carolina business community since: 1952**
- **Number of Branch locations** throughout state: **5**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
- **Branch Locations:** Bluffton, Greenville, Myrtle Beach, North Charleston and West Columbia.
- In 2009, Grainger **remitted** approximately **\$4.2 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **529 in South Carolina.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in South Carolina:**

- In 2009, Grainger's **South Carolina** facilities contributed \$2,500 to nonprofit organizations in their local communities including The American Red Cross, Boys and Girls Club and Harvest Hope Food Bank.
- In 2009, Grainger donated more than \$16,800 to **South Carolina** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to



rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

SOUTH DAKOTA OPERATIONS & EMPLOYEES

- Grainger has been part of the **South Dakota business community since: 1976**
- **Number of Branch locations** throughout state: **1**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Location:** Sioux Falls
 - In 2009, Grainger **remitted** approximately **\$450,000 in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **15 in South Dakota.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in South Dakota:

- In 2009, Grainger's **South Dakota** facilities contributed \$500 to nonprofit organizations in their local communities including Children's Inn Children's Home Society.
- In 2009, Grainger donated more than \$5,000 to **South Dakota** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development



organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

TENNESSEE OPERATIONS & EMPLOYEES

- Grainger has been part of the **Tennessee business community since: 1945**
- **Number of Branch locations** throughout state: **7**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Chattanooga, Johnson City, Knoxville, Memphis (2) and Nashville (2).
 - In 2009, Grainger **remitted** approximately **\$4.3 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **138 in Tennessee.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in Tennessee:**

- In 2009, Grainger's **Tennessee** facilities contributed \$1,000 to nonprofit organizations in their local communities including Big Brothers & Big Sisters of Greater Chattanooga and Mid-South Food Bank.
- In 2009, Grainger donated more than \$65,000 to **Tennessee** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to



rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

TEXAS OPERATIONS & EMPLOYEES

- Grainger has been part of the **Texas business community since: 1934**
- **Number of Branch locations** throughout state: **39**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Amarillo, Arlington, Austin (2), Beaumont, Bryan, Carrollton, Conroe, Corpus Christi, Dallas (3), Deer Park, El Paso, Farmers Branch, Fort Worth (3), Garland, Houston (8), Laredo, Longview, Lubbock, McAllen, Midland, Plano, Round Rock, San Antonio (2), Stafford, Waco and Wichita Falls.
 - In 2009, Grainger **remitted** approximately **\$23 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **980 in Texas.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Texas:

- In 2009, Grainger's **Texas** facilities contributed \$11,500 to nonprofit organizations in their local communities including AMBUCS Amarillo Chapter, American Red Cross, Boy Scouts of America, CAPS, Citizens for Animal Protection, Down Syndrome Association of Houston, Easter Seal, Humane Society of Wichita Falls, Lamar Institute of Technology Foundation, Montgomery County Food Bank, National Multiple Sclerosis Society – Lone Star Chapter, National Sclerosis Society – Lone Star, Special Olympics – Texas, Susan G. Komen for Breast Cancer, Tadpole Foundation, Texas A & M Foundation, Toys for Tots, UTI Foundation, West Texas Muscular Dystrophy Association and YMCA of Central Texas.
- In 2009, Grainger donated more than \$60,000 to **Texas** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When**



the Time Comes Program, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

UTAH OPERATIONS & EMPLOYEES

- Grainger has been part of the **Utah business community since: 1948**
- **Number of Branch locations** throughout state: **2**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Ogden and Salt Lake City
 - In 2009, Grainger **remitted** approximately **\$1.9 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **63 in Utah.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Utah:

- In 2009, Grainger's **Utah** facilities contributed \$1,000 to nonprofit organizations in their local communities including American Red Cross and Primary Children's Medical Center Foundation.
- In 2009, Grainger donated more than \$5,000 to **Utah** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.



Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



**GRAINGER
OVERVIEW**

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

**VERMONT
OPERATIONS
&
EMPLOYEES**

- Grainger has been part of the **Vermont business community since: 1985**
- **Number of Branch locations** throughout state: **1**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Location:** South Burlington
 - In 2009, Grainger **remitted** approximately **\$350,000 in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **11 in Vermont.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

**COMMITMENT TO
LOCAL
COMMUNITIES**

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Vermont:

- In 2009, Grainger's **Vermont** facilities contributed \$500 to nonprofit organizations in their local communities including Special Olympics and Vermont Technical College.
- In 2009, Grainger donated more than \$5,500 to **Vermont** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.



Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

VIRGINIA OPERATIONS & EMPLOYEES

- Grainger has been part of the **Virginia business community since: 1937**
- **Number of Branch locations** throughout state: **8**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Dulles, Falls Church, Lynchburg, Newport News, Norfolk, Richmond, Roanoke and Springfield.
 - In 2009, Grainger **remitted** approximately **\$4 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **174 in Virginia.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Virginia:

- In 2009, Grainger's **Virginia** facilities contributed \$1,000 to nonprofit organizations in their local communities including The American Cancer Society and American Diabetes Association Research Foundation.
- In 2009, Grainger donated more than \$35,700 to **Virginia** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development



organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

WASHINGTON OPERATIONS & EMPLOYEES

- Grainger has been part of the **Washington business community since: 1936**
- **Number of Branch locations** throughout state: **11**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Bellevue, Bothell, Bremerton, Everett, Fife, Pasco, Seattle, Spokane, Tukwila, Tumwater and Yakima.
 - In 2009, Grainger **remitted** approximately **\$7 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **209 in Washington.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Washington:

- In 2009, Grainger's **Washington** facilities contributed \$6,000 to nonprofit organizations in their local communities including Alternatives to Hunger – Bellingham Food Bank, American Red Cross Mount Rainier Chapter, American Red Cross Snohomish County Chapter, Hopelink, Northwest Harvest, Seattle Maritime Fisherman's Fund, Tacoma Rescue Mission, Teen Hope, Tri-Cities Cancer Center, Vanessa Behan Crisis Nursery and Yakima Valley YMCA.
- In 2009, Grainger donated more than \$34,000 to **Washington** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.



Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

WEST VIRGINIA OPERATIONS & EMPLOYEES

- Grainger has been part of the **West Virginia business community since: 1952**
- **Number of Branch locations** throughout state: **4**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Charleston, Huntington, Morgantown and Parkersburg.
 - In 2009, Grainger **remitted** approximately **\$980,000 in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **37 in West Virginia.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in West Virginia:**

- In 2009, Grainger's **West Virginia** facilities contributed \$1,500 to nonprofit organizations in their local communities including Ronald McDonald House Charities and United Way of Central West Virginia.
- In 2009, Grainger donated more than \$1,700 to **West Virginia** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development



organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

WISCONSIN OPERATIONS & EMPLOYEES

- Grainger has been part of the **Wisconsin business community since: 1940**
- **Number of Branch locations** throughout state: **10**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Appleton, Green Bay (2), Madison, Milwaukee (2), Oak Creek, Racine, Waukesha and Wausau.
 - In 2009, Grainger **remitted** approximately **\$8.2 million in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **1,064 in Wisconsin.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent **Philanthropic Activities in Wisconsin:**

- In 2009, Grainger's **Wisconsin** facilities contributed \$2,500 to nonprofit organizations in their local communities including Children's Hospital & Health System Foundation.
- In 2009, Grainger donated more than \$256,000 to **Wisconsin** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America®** program, the company provides grants to small businesses in communities that are impacted by disaster and struggling to



rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades**. The company works with industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
- Named one of the Fortune 40 Best Stocks to Retire On - Fortune
- 100 Best Places to Work in IT - ComputerWorld Magazine
- No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
- United States Postal Service Supplier Performance Award
- United States Postal Service Council Excellence Award



GRAINGER OVERVIEW

- **W.W. Grainger, Inc.** is a broad-line **supplier of facilities maintenance** and other **related products** and services for businesses and institutions to help **keep their facilities and equipment running.**
- **2009 sales of \$6.2 billion.**
- Grainger has an excellent reputation as a business, employer, and community partner.

WYOMING OPERATIONS & EMPLOYEES

- Grainger has been part of the **Wyoming business community since: 1983**
- **Number of Branch locations** throughout state: **2**
(An average branch is 22,000 square feet in size, has 12 employees and handles about 110 transactions per day.)
 - **Branch Locations:** Casper and Cheyenne.
 - In 2009, Grainger **remitted** approximately **\$480,000 in taxes.** (This represents a combination of sales, income, property, and payroll state taxes.)
- As of September 2010, the company **employed:** approximately **14 in Wyoming.**
- The company has a long-standing commitment to provide useful and innovative benefits to help retain talent and attract the best and brightest new talent.
- The average tenure of a U.S. Grainger employee is nine years.

COMMITMENT TO LOCAL COMMUNITIES

The company is committed to supporting the communities where its employees live and work. In 2009, Grainger donated more than \$16 million to nonprofit organizations through cash, product and employee matching gifts.

Grainger's Recent Philanthropic Activities in Wyoming:

- In 2009, Grainger donated more than \$3,000 to **Wyoming** nonprofits through its matching gifts program. The Grainger Matching Gift program matches employee charitable donations three-for-one. Grainger is among the less than 1 percent of U.S. companies that match employees' charitable contributions to nonprofit organizations at a rate of three-for-one.

Disaster Preparedness and Relief

Grainger is the national founding sponsor of the **American Red Cross' Ready When the Time Comes Program**, a volunteer program that trains corporate employees to help the American Red Cross respond in times of disaster. Since its creation in 2001, "Ready When the Time Comes" has led to more than 10,000 employees of 450 organizations in the United States being trained by the Red Cross and ready to respond when disaster strikes local communities.

Through the Grainger **Rebuilding America® program**, the company provides grants to small businesses in communities that are impacted by disaster and struggling to rebuild. Contributions go to local nonprofit foundations or economic development organizations, which distribute the funds to qualifying small businesses.

Technical Education

As a leading distributor of facilities maintenance products, Grainger is committed to **developing future leaders within the industrial trades.** The company works with



industry peers and other business partners to support and encourage the next generation of skilled-trades leaders.

Since 2006, **Grainger and the American Association of Community Colleges** have partnered on the **Grainger Tools for Tomorrow® scholarship program** which supports preparations for careers in plumbing, contracting, electrical work, welding and construction. The program provides 150 scholarships for second-year students enrolled in technical programs at 50 community colleges across the United States. Students also receive a Westward toolkit upon graduation to begin their careers.

- In 2009, students at **Gateway Community College in Phoenix** were selected as recipients of the Grainger Tools for Tomorrow® scholarship.

Product Donations

In addition to financial and human resources, the company provides **significant in-kind support for disaster relief** and education programs. In 2009, Grainger donated more than **\$11 million** worth of **product to nonprofit organizations**.

SUSTAINABILITY

- In October 2008, Grainger became the first industrial distributor to have a **LEED certified facility**. As of March 2010, the company operates **twelve LEED facilities across North America**.

AWARDS AND RECOGNITION

2010

- No. 1, America's Most Admired Company, Diversified Wholesalers – Fortune

2009

- Named to InformationWeek's 2009 Most Innovative Business Technology Organizations - InformationWeek
 - Named one of the Fortune 40 Best Stocks to Retire On - Fortune
 - 100 Best Places to Work in IT - ComputerWorld Magazine
 - No. 2, World's Most Admired Companies, Diversified Wholesalers - Fortune
 - United States Postal Service Supplier Performance Award
 - United States Postal Service Council Excellence Award
-



National Government Sales Leadership

**Vice President,
Government Sales**

Robert Laughlin

Has spent his entire career at Grainger:

- Vice President Government Sales – April 2009 - Present
- Regional Sales Vice President – Central in 2007-April 2009
- Director of Government Sales – West (2005-2006)
- District Sales Manager (2001-2004)
- Branch Manager (1998-2001)
- Field Sales (1995-1998)
- Began career in Branch Operations in 1989

**Regional Sales Vice Presidents
(RSVPs)**

Gerald Frank

Regional Sales Vice President
Central Region Government Sales

23 years experience with Grainger

- 11 years as an RSVP
- Combined Operations and Sales leadership experience
- The last 5 years leading a Government Region both West and Central
- Part of the leadership team that led the last WSCA bid.

Mark Hanna

Regional Sales Vice President
Northeast Region Government Sales

16 years experience with Grainger

- Government Sales
- Branch Services
- Distribution Operations
- Information Services and Marketing
- Extensive government experience in Federal Contracting (GSA, DLA, DOD)



Ben Nichols

Regional Sales Vice President
Southeast Region Government Sales

13 years experience with Grainger

- Regional Sales Vice President (2007 – present)
- Director of Sales (2006 – 2007)
- District Sales Manager (2005 – 2006)
- Government Sales Manager (2000 – 2004)
- Corporate Sales Manager (1999 – 2000)
- Account Manager (1996 – 1999)

Andrew Guzzon

Regional Sales Vice President
Western Region Government Sales

21 years experience with Grainger

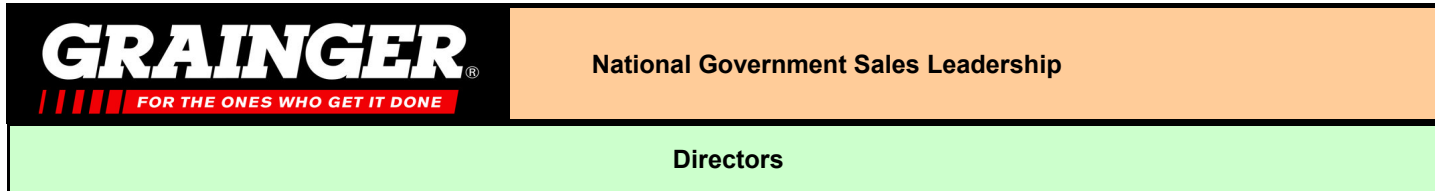
- Regional Sales Vice President (2009 – present)
- Director of Sales (2007 – 2009)
- District Sales Manager (2000 – 2006)
- National Account Manager (1997 – 2000)
- Branch Manager (1988 – 1996)

Mike Murphy

Regional Sales Vice President
Government - Federal Sales

17 years experience with Grainger

- Vice President - Federal Government/Healthcare Sales
- Director - Federal Government Sales
- Director - State Government Sales Southeast
- National Government Sales Manager - USPS
- District Sales Manager
- State Government Sales Manager
- Account Manager
- Branch Manager



Jeff Collier

Director – Government Sales
Central Region
14 years experience with Grainger

- 8 years dedicated to Government and Higher Education Segment

Andrew Darpino

Director - Government Sales
Northeast Region

13 years with Grainger - Combined Operations and Sales Experience

- 5 Years dedicated to Government and Higher Education Segment
- Successful negotiation and management of MRO Contracts with Higher Education and Government Customers in the Northeast and Middle Atlantic States

Mario Marin

Director - Government Sales
Western Region

4 years experience with Grainger

- Leads team of Government Sales Managers
- Responsible for a \$20 million territory that includes the UC and Cal State systems, City and County of San Francisco, State of California, and other major government institutions.
- Previously Senior Government Sales Manager
- Part of negotiating team for State of California's strategic MRO supplies sourcing agreement, which included the first ever Distributor Alliance program that will provide Small Businesses and Disabled Veteran Owned Businesses an opportunity to compete for State work.

Mark Snead

Director - Government Sales
Southeast Region

5 years experience with Grainger



National Government Sales Leadership

- 5 years experience with Grainger in Sales Management
- Worked closely with higher education institutions in the US to implement comprehensive MRO contracts

Tony Van Lennep

Director of Sales – Government
Federal Civilian, Healthcare and Homeland Security

10 years experience with Grainger

- Director Government Sales Operations
 - Member of Grainger's Federal Compliance Team
 - Member of Grainger's National Emergency Response Team
- Director Program Launch - Development and Implementation of Corporate Programs
- National Government Sales Manager - Management of Grainger's contracts with the United States Postal Service
- Business Development Manager, Grainger Repair Parts Division
- Sales Manager, Grainger Repair Parts Division
- National Account Manager, Grainger Repair Parts Division

David Joyce


Director - Inside Sales

17 years experience with Grainger

- Director of Inside Sales team - February 2007
- District Sales Manager - 2004
- Senior Government Sales Manager - 2001
- National Account Manager - 1996
- Local Account Manager – 1991
- Successfully negotiated state and local contracts with the State of NY, City of NY and the Port Authority of NY/NJ

**Government and District Sales Managers
(assigned by State)**


Please see "GSM By State" and "GSM by State Abbreviation" tabs

		National Government Cooperative Sales Managers and Support Staff			
Customer Base	Sales Manager	Title	Phone Number	e-Mail	Region
WSCA Dedicated	Doug D'Alessio	Senior Government Sales Manager	415.850.5202	doug.m.d'alessio@grainger.com	United States
Cooperative Agreements	Mike Dietz	Customer Lifecycle Manager	847-559-6130	mike.dietz@grainger.com	United States
Cooperative Agreements	Amy Morantz	National Program Manager	816-256-0940	amy.morantz@grainger.com	United States
Cooperative Agreements	Sonya Holubowski	National Cooperative Program Manager	610.721.6173	sonya.holubowski@grainger.com	United States

State-Assigned Government and District Sales Managers					
State	State Abbreviation	Title	Name	Phone Number	e-Mail
Alabama	AL	Government Sales Manager	Steve Muh	678.485.5052	steven.muh@grainger.com
Alaska	AK	District Sales Manager	Kurt Smole	907.350.9125	kurt.smole@grainger.com
Arizona	AZ	Government Sales Manager	Jack Folger	253.241.9696	jack.folger@grainger.com
Arkansas	AR	Government Sales Manager	Steve Muh	678.485.5052	steven.muh@grainger.com
California	CA	Senior Government Sales Manager	Doug D'Alessio (WSCA-dedicated)	415.850.5202	doug.m.d'alessio@grainger.com
California	CA	Government Sales Manager	Saul Alvarado (Los Angeles Area)	310.489.6705	saul.alvarado@grainger.com
California	CA	Government Sales Manager	Joe Kucinski (Southern CA)	858.220.2728	joe.t.kucinski@grainger.com
Colorado	CO	Government Sales Manager	Pat Maher	303.946.4541	dale.maher@grainger.com
Connecticut	CT	Government Sales Manager	Kevin Fleury	978.502.5798	kevin.fleury@grainger.com
Delaware	DE	Government Sales Manager	Dennis Flynn	908.419.1942	dennis.flynn@grainger.com
Florida	FL	Senior Government Sales Manager	Rick Lopez	813.919.9696	rick.lopez@grainger.com
Georgia	GA	Senior Government Sales Manager	Rodney Lynn	704.618.5148	rodney.lynn@grainger.com
Hawaii	HI	District Sales Manager	Kevin Vegas	808.216.4777	kevin.vegas@grainger.com
Idaho	ID	Government Sales Manager	Jack Folger	253.241.9696	jack.folger@grainger.com
Illinois	IL	Government Sales Manager	Brandon O'Connor	847.732.7884	brandon.o'connor@grainger.com
Illinois	IL	Government Sales Manager	Ken Marks (Chicago)	309.287.4947	kenneth.marks@grainger.com
Indiana	IN	Government Sales Manager	Christi Gilligan	513.479.9987	christi.gilligan@grainger.com

State-Assigned Government and District Sales Managers					
State	State Abbreviation	Title	Name	Phone Number	e-Mail
Iowa	IA	Government Sales Manager	Ken Marks	309.287.4947	kenneth.marks@grainger.com
Kansas	KS	Government Sales Manager	Matt Otec	314.749.4204	matt.otec@grainger.com
Kentucky	KY	Government Sales Manager	Christi Gilligan	513.479.9987	christi.gilligan@grainger.com
Louisiana	LA	Government Sales Manager	Steve Muh	678.485.5052	steven.muh@grainger.com
Maine	ME	Government Sales Manager	Kevin Fleury	978.502.5798	kevin.fleury@grainger.com
Maryland	MD	Government Sales Manager	Shaun Jackson	215.870.1713	shaun.jackson@grainger.com
Massachusetts	MA	Government Sales Manager	Kevin Fleury	978.502.5798	kevin.fleury@grainger.com
Michigan	MI	Government Sales Manager	Kari Stoltz	651.491.3442	kari.stoltz@grainger.com
Minnesota	MN	Government Sales Manager	Kari Stoltz	651.491.3442	kari.stoltz@grainger.com
Mississippi	MS	Government Sales Manager	Steve Muh	678.485.5052	steven.muh@grainger.com
Missouri	MO	Government Sales Manager	Matt Otec	314.749.4204	matt.otec@grainger.com
Montana	MT	Government Sales Manager	Jack Folger	253.241.9696	jack.folger@grainger.com
Nebraska	NE	Government Sales Manager	Pat Maher	303.946.4541	dale.maher@grainger.com
Nevada	NV	Government Sales Manager	Alex Rodriguez	520.275.0519	alex.rodriguez@grainger.com
New Hampshire	NH	Government Sales Manager	Kevin Fleury	978.502.5798	kevin.fleury@grainger.com
New Jersey	NJ	Government Sales Manager	Dennis Flynn	908.419.1942	dennis.flynn@grainger.com
New Mexico	NM	Government Sales Manager	Pat Maher	303.946.4541	dale.maher@grainger.com
New York	NY	Senior Government Sales Manager	Mike DeAngelis	516.351.9302	michael.deangelis@grainger.com
North Carolina	NC	Senior Government Sales Manager	Rodney Lynn	704.618.5148	rodney.lynn@grainger.com
North Dakota	ND	Government Sales Manager	Ken Marks	309.287.4947	kenneth.marks@grainger.com
Ohio	OH	Government Sales Manager	Brandon O'Connor	847.732.7884	brandon.oconnor@grainger.com
Oklahoma	OK	Government Sales Manager	Matt Otec	314.749.4204	matt.otec@grainger.com
Oregon	OR	Government Sales Manager	Jack Folger	253.241.9696	jack.folger@grainger.com
Pennsylvania	PA	Government Sales Manager	Tom Massari	919.201.4303	thomas.massari@grainger.com
Rhode Island	RI	Government Sales Manager	Kevin Fleury	978.502.5798	kevin.fleury@grainger.com
South Carolina	SC	Senior Government Sales Manager	Rodney Lynn	704.618.5148	rodney.lynn@grainger.com
South Dakota	SD	Government Sales Manager	Ken Marks	309.287.4947	kenneth.marks@grainger.com
Tennessee	TN	Government Sales Manager	Christi Gilligan	513.479.9987	christi.gilligan@grainger.com
Texas	TX	Government Sales Manager	Tim Sweat	214.274.2331	tim.sweat@grainger.com
Utah	GA	Government Sales Manager	Alex Rodriguez	520.275.0519	alex.rodriguez@grainger.com
Vermont	VT	Government Sales Manager	Kevin Fleury	978.502.5798	kevin.fleury@grainger.com

State-Assigned Government and District Sales Managers					
State	State Abbreviation	Title	Name	Phone Number	e-Mail
Virginia	VA	Government Sales Manager	Shaun Jackson	215.870.1713	shaun.jackson@grainger.com
Washington, DC	DC	Government Sales Manager	Shaun Jackson	215.870.1713	shaun.jackson@grainger.com
Washington	WA	Government Sales Manager	Jack Folger	253.241.9696	jack.folger@grainger.com
West Virginia	WV	Government Sales Manager	Tom Massari	919.201.4303	thomas.massari@grainger.com
Wisconsin	WI	Government Sales Manager	Kari Stoltz	651.491.3442	kari.stoltz@grainger.com
Wyoming	WY	Government Sales Manager	Pat Maher	303.946.4541	dale.maher@grainger.com

		National Government Cooperative Sales Managers and Support Staff			
Customer Base	Sales Manager	Title	Phone Number	e-Mail	Region
WSCA Dedicated	Doug D'Alessio	Senior Government Sales Manager	415.850.5202	doug.m.d'alessio@grainger.com	United States
Cooperative Agreements	Mike Dietz	Customer Lifecycle Manager	847-559-6130	mike.dietz@grainger.com	United States
Cooperative Agreements	Amy Morantz	National Program Manager	816-256-0940	amy.morantz@grainger.com	United States
Cooperative Agreements	Sonya Holubowski	National Cooperative Program Manager	610.721.6173	sonya.holubowski@grainger.com	United States

State-Assigned Government and District Sales Managers					
State	State Abbreviation	Title	Name	Phone Number	e-Mail
Alaska	AK	District Sales Manager	Kurt Smole	907.350.9125	kurt.smole@grainger.com
Alabama	AL	Government Sales Manager	Steve Muh	678.485.5052	steven.muh@grainger.com
Arkansas	AR	Government Sales Manager	Steve Muh	678.485.5052	steven.muh@grainger.com
Arizona	AZ	Government Sales Manager	Jack Folger	253.241.9696	jack.folger@grainger.com
California	CA	Senior Government Sales Manager	Doug D'Alessio (WSCA-dedicated)	415.850.5202	doug.m.d'alessio@grainger.com
California	CA	Government Sales Manager	Saul Alvarado (Los Angeles Area)	310.489.6705	saul.alvarado@grainger.com
California	CA	Government Sales Manager	Joe Kucinski (Southern CA)	858.220.2728	joe.t.kucinski@grainger.com
Colorado	CO	Government Sales Manager	Pat Maher	303.946.4541	dale.maher@grainger.com
Connecticut	CT	Government Sales Manager	Kevin Fleury	978.502.5798	kevin.fleury@grainger.com
Washington, DC	DC	Government Sales Manager	Shaun Jackson	215.870.1713	shaun.jackson@grainger.com
Delaware	DE	Government Sales Manager	Dennis Flynn	908.419.1942	dennis.flynn@grainger.com
Florida	FL	Senior Government Sales Manager	Rick Lopez	813.919.9696	rick.lopez@grainger.com
Georgia	GA	Senior Government Sales Manager	Rodney Lynn	704.618.5148	rodney.lynn@grainger.com
Utah	GA	Government Sales Manager	Alex Rodriguez	520.275.0519	alex.rodriguez@grainger.com
Hawaii	HI	District Sales Manager	Kevin Vegas	808.216.4777	kevin.vegas@grainger.com
Iowa	IA	Government Sales Manager	Ken Marks	309.287.4947	kenneth.marks@grainger.com
Idaho	ID	Government Sales Manager	Jack Folger	253.241.9696	jack.folger@grainger.com
Illinois	IL	Government Sales Manager	Brandon O'Connor	847.732.7884	brandon.o'connor@grainger.com

State-Assigned Government and District Sales Managers					
State	State Abbreviation	Title	Name	Phone Number	e-Mail
Illinois	IL	Government Sales Manager	Ken Marks (Chicago)	309.287.4947	kenneth.marks@grainger.com
Indiana	IN	Government Sales Manager	Christi Gilligan	513.479.9987	christi.gilligan@grainger.com
Kansas	KS	Government Sales Manager	Matt Otec	314.749.4204	matt.otec@grainger.com
Kentucky	KY	Government Sales Manager	Christi Gilligan	513.479.9987	christi.gilligan@grainger.com
Louisiana	LA	Government Sales Manager	Steve Muh	678.485.5052	steven.muh@grainger.com
Massachusetts	MA	Government Sales Manager	Kevin Fleury	978.502.5798	kevin.fleury@grainger.com
Maryland	MD	Government Sales Manager	Shaun Jackson	215.870.1713	shaun.jackson@grainger.com
Maine	ME	Government Sales Manager	Kevin Fleury	978.502.5798	kevin.fleury@grainger.com
Michigan	MI	Government Sales Manager	Kari Stoltz	651.491.3442	kari.stoltz@grainger.com
Minnesota	MN	Government Sales Manager	Kari Stoltz	651.491.3442	kari.stoltz@grainger.com
Missouri	MO	Government Sales Manager	Matt Otec	314.749.4204	matt.otec@grainger.com
Mississippi	MS	Government Sales Manager	Steve Muh	678.485.5052	steven.muh@grainger.com
Montana	MT	Government Sales Manager	Jack Folger	253.241.9696	jack.folger@grainger.com
North Carolina	NC	Senior Government Sales Manager	Rodney Lynn	704.618.5148	rodney.lynn@grainger.com
North Dakota	ND	Government Sales Manager	Ken Marks	309.287.4947	kenneth.marks@grainger.com
Nebraska	NE	Government Sales Manager	Pat Maher	303.946.4541	dale.maher@grainger.com
New Hampshire	NH	Government Sales Manager	Kevin Fleury	978.502.5798	kevin.fleury@grainger.com
New Jersey	NJ	Government Sales Manager	Dennis Flynn	908.419.1942	dennis.flynn@grainger.com
New Mexico	NM	Government Sales Manager	Pat Maher	303.946.4541	dale.maher@grainger.com
Nevada	NV	Government Sales Manager	Alex Rodriguez	520.275.0519	alex.rodriguez@grainger.com
New York	NY	Senior Government Sales Manager	Mike DeAngelis	516.351.9302	michael.deangelis@grainger.com
Ohio	OH	Government Sales Manager	Brandon O'Connor	847.732.7884	brandon.o'connor@grainger.com
Oklahoma	OK	Government Sales Manager	Matt Otec	314.749.4204	matt.otec@grainger.com
Oregon	OR	Government Sales Manager	Jack Folger	253.241.9696	jack.folger@grainger.com
Pennsylvania	PA	Government Sales Manager	Tom Massari	919.201.4303	thomas.massari@grainger.com
Rhode Island	RI	Government Sales Manager	Kevin Fleury	978.502.5798	kevin.fleury@grainger.com
South Carolina	SC	Senior Government Sales Manager	Rodney Lynn	704.618.5148	rodney.lynn@grainger.com
South Dakota	SD	Government Sales Manager	Ken Marks	309.287.4947	kenneth.marks@grainger.com
Tennessee	TN	Government Sales Manager	Christi Gilligan	513.479.9987	christi.gilligan@grainger.com
Texas	TX	Government Sales Manager	Tim Sweat	214.274.2331	tim.sweat@grainger.com
Virginia	VA	Government Sales Manager	Shaun Jackson	215.870.1713	shaun.jackson@grainger.com
Vermont	VT	Government Sales Manager	Kevin Fleury	978.502.5798	kevin.fleury@grainger.com

State-Assigned Government and District Sales Managers					
State	State Abbreviation	Title	Name	Phone Number	e-Mail
Washington	WA	Government Sales Manager	Jack Folger	253.241.9696	jack.folger@grainger.com
Wisconsin	WI	Government Sales Manager	Kari Stoltz	651.491.3442	kari.stoltz@grainger.com
West Virginia	WV	Government Sales Manager	Tom Massari	919.201.4303	thomas.massari@grainger.com
Wyoming	WY	Government Sales Manager	Pat Maher	303.946.4541	dale.maher@grainger.com

Occupational Health & Safety Value-Added Education

Grainger can help you improve safety through our comprehensive product offering. We'll bring in our key suppliers to provide FREE technical expertise.

Topic	Supplier	Estimated Savings
Arc Flash Awareness Seminar: Designed to bring awareness to the NFPA 70E Standard. Additional topics reviewed are methods of assessment, PPE equipment, proper electrical tools, test instruments, and labeling of hazards.	Salisbury, Square D, Fluke, Brady (any or all of these)	\$500/seminar
Coating & Anti-Slip Solution: An evaluation based on application, hazard concerns and safety color-coded paint requirements.	Rust-Oleum	\$300/survey
Climbing and Access Solutions – Work Platforms & Ladders: Design, engineer and manufacture application and environment specific product solutions that address productivity, safety, ergonomics, and code compliance. On-site evaluations conducted on an as needed basis.	Tri-Arc	\$500/session
Confined Space Analysis: Conduct plant tour to determine potential confined space hazards.	MSA, Sperian Instrumentation, Miller by Sperian	\$500
Electrical Safety: Training program using general electrical safety principles coupled with the unique products designed for electrical applications.	Hubbell	\$100/hour
Emergency Eyewash & Drench Shower Facility Surveys: Customer confidential evaluations of the facility for emergency eyewash and drench shower safety. The walk-through includes ANSI-compliance recommendations on products and strategies to keep the customer's workplace safe and OSHA compliant.	The Bradley Corporation	\$1,000/survey
Ergonomic Matting: Evaluate your facility to recommend the right anti-fatigue matting that will reduce back and lower leg fatigue for employees who stand while working. Recommend the proper mat that will hold up in areas with oils or chemicals, as well as provide 12" samples for you to stand on, or to test against chemicals.	Notrax Floor Matting	\$300/assessment
Ergonomics Support: Identify risks associated with repetitive motion trauma disorders and recommend products for at-risk workers including conditions such as heat stress, vibration reduction, as well as repetitive back sprains and strains.	Ergodyne	\$500/assessment

Topic	Supplier	Estimated Savings
Eye, Face & Head Protection: Assist you with your workplace hazard assessments, qualifying the specific product solution. Samples are provided allowing users to check proper fit and application.	MSA, Aearo, Sperian, North Safety	\$500/assessment
Eyewash Station Analysis: An evaluation designed to assist the customer with regulatory compliance of the proper operation and locations of eyewash stations.	Sperian	\$500/survey
Fall Protection: Survey to determine fall hazards and address solutions.	Miller by Sperian	\$500/survey
Fire Stop Training Program: Educates users on general firestopping information and provides supplier specific training on UL classified systems.	3M, STI	\$500/session
First Aid: Assist customers with establishing a first aid program, understanding regulations, and meeting ANSI fill requirements.	North Safety	\$500/assessment
Food Processing Hand Hygiene Training: Teach employees proper hand hygiene in order to maintain high quality and limit cross contamination. Includes language neutral DVD, visual clues, and trainer's guide.	GoJo	\$400/session
Footwear Assessment: Assist customers with workplace assessments, qualifying the specific product solution. Samples are provided so users can determine proper fit and application.	North Safety	\$500/assessment
Fuses & Power Distribution: Seminars tailored to specific customer requirements in the proper application of fuses in order to protect electrical equipment and power distribution systems.	Cooper-Bussman	\$50-\$75/person
Gas Detection: Training on how to use gas detection products, including calibrating the equipment.	MSA, Sperian Instrumentation	\$500/session
Hand Hygiene Needs Analysis: An evaluation of a facility's skin risks, irritants, and worker behavior in order to determine their impact on an effective hand regimen.	GoJo	\$250/needs analysis
Hand Protection & Glove Analysis: An evaluation of the glove program to determine proper selection and use, as well as identify cost savings. Samples are also provided, allowing users to ensure proper fit and application.	Best, Ansell, Sperian, Wells Lamont, North Safety	\$25/person
Hazardous/Flammable Liquid Handling & Storage: Audit of hazardous/flammable storage, use and handling.	Justrite STUDE, Eagle CLAWS	\$500/audit
Hearing Conservation: Training program designed to assist the customer in becoming compliant with OSHA Standard 29CFR1910.95 as well as instruction on the importance of proper use of hearing protection devices.	EAR, Howard Leight by Sperian, 3M	\$300/session

Topic	Supplier	Estimated Savings
Ladder Training: On-site safety training covering duty ratings, working heights, securing ladders, and specialty products. The training consists of a video and then a short Q&A session. If requested, ladder inspections can be incorporated.	Louisville Ladder	\$500/session
Ladder Training Kit: Werner Climbing Pro Ladder Safety Kit with training video and literature provides training on safe and proper ladder use, how to select the correct ladders for the job, and ladder inspection. Includes a quiz to reinforce learning.	Werner Ladder	\$100
Matting Assessment: Survey facility to recommend the right anti-slip matting to help prevent slips and falls in slippery areas within your facility. Recommend the proper mat that will hold up in areas with oils or chemicals as well as provide 12" samples for testing.	Notrax Floor Matting	\$300/assessment
Multimeter Assessment: Programs designed to emphasize use and application of multimeters, inspection of equipment and other safety procedures.	Fluke	\$250/session
Pandemic Planning: Provides all-hazard emergency response support by helping customers to plan and prepare for a disruptive event, to protect their workers and recover their operations, and to reinforce and update their knowledge with meaningful information that improves their readiness levels and disaster management programs.	3M, North Safety	\$500/seminar
Power & Hand Tool Safety: Seminars designed to promote proper ergonomic use and safety practices for hand and power tools as well as recommending the most efficient tool for the application to increase productivity.	DeWalt, Milwaukee, Stanley-Proto, Cooper Hand Tools, Irwin	\$300/session
Respiratory Protection: Conduct training and fit testing. Assist with program development to meet OSHA standards.	3M, MSA, Sperian, North Safety	\$25-\$50/person (excludes medical evaluation)
Safety Paint Assessment: Conduct a site survey to determine the condition and location of your safety markings and recommend the proper safety coatings.	Rust-Oleum	\$300/assessment
Slip, Trip and Fall Prevention: Provide a pedestrian safety site assessment that takes in customer facility observations and gives back recommended products and solutions in order to help the facility become safer, not only for employees, but for customers as well.	Rubbermaid	\$500/assessment

GREEN

PRODUCTS CATALOG



Save on utility costs, help increase productivity, and reduce the impact on the environment. Get started today with over 2,600 “green” products from Grainger—**INSIDE.**



ENERGY • CLEANING • WASTE REDUCTION • WATER

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

December 31, 2009, 2008 and 2007

	<u>Page(s)</u>
MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING	27
REPORTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	28-29
FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF EARNINGS	30
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS	31
CONSOLIDATED BALANCE SHEETS	32-33
CONSOLIDATED STATEMENTS OF CASH FLOWS.....	34-35
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY	36-37
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	38-62
EXHIBIT 23 – CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.....	64

**MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING**

The management of W.W. Grainger, Inc. (Grainger) is responsible for establishing and maintaining adequate internal control over financial reporting. Grainger's internal control system was designed to provide reasonable assurance to Grainger's management and Board of Directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements under all potential conditions. Therefore, effective internal control over financial reporting provides only reasonable, and not absolute, assurance with respect to the preparation and presentation of financial statements.

Grainger's management assessed the effectiveness of Grainger's internal control over financial reporting as of December 31, 2009, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework. Based on its assessment under that framework and the criteria established therein, Grainger's management concluded that Grainger's internal control over financial reporting was effective as of December 31, 2009.

Ernst & Young LLP, an independent registered public accounting firm, has audited Grainger's internal control over financial reporting as of December 31, 2009, as stated in their report which is included herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
W.W. Grainger, Inc.

We have audited W.W. Grainger, Inc.'s internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). W.W. Grainger, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, W.W. Grainger, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of W.W. Grainger, Inc. and subsidiaries as of December 31, 2009, 2008 and 2007, and the related consolidated statements of earnings, comprehensive earnings, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2009 of W.W. Grainger, Inc., and our report dated February 25, 2010, expressed an unqualified opinion thereon.

Ernst & Young LLP

Chicago, Illinois
February 25, 2010

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
W.W. Grainger, Inc.

We have audited the accompanying consolidated balance sheets of W.W. Grainger, Inc. and subsidiaries as of December 31, 2009, 2008, and 2007, and the related consolidated statements of earnings, comprehensive earnings, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of W.W. Grainger, Inc. and subsidiaries at December 31, 2009, 2008 and 2007, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

As described in Note 16 to the consolidated financial statements, effective January 1, 2007, the Company changed its method of accounting for uncertain tax positions to conform with ASC 740.

As described in Note 17 to the consolidated financial statements, effective January 1, 2009, the Company changed its method of computing earnings per share to the two-class method from the treasury stock method to conform with ASC 260.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), W.W. Grainger, Inc.'s internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2010, expressed an unqualified opinion thereon.

Ernst & Young LLP

Chicago, Illinois
February 25, 2010

W.W. Grainger, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands of dollars, except for per share amounts)

	For the Years Ended December 31,		
	2009	2008	2007
Net sales	\$6,221,991	\$6,850,032	\$6,418,014
Cost of merchandise sold	3,623,465	4,041,810	3,814,391
Gross profit	2,598,526	2,808,222	2,603,623
Warehousing, marketing and administrative expenses	1,933,302	2,025,550	1,932,970
Operating earnings	665,224	782,672	670,653
Other income and (expense):			
Interest income	1,358	5,069	12,125
Interest expense	(8,766)	(14,485)	(2,974)
Equity in net income of unconsolidated entities	1,497	3,642	2,016
Gain (write-off) of investment in unconsolidated entities	47,343	(6,031)	—
Other non-operating income	964	2,668	404
Other non-operating expense	(283)	(317)	(363)
Total other income and (expense)	42,113	(9,454)	11,208
Earnings before income taxes	707,337	773,218	681,861
Income taxes	276,565	297,863	261,741
Net earnings	430,772	475,355	420,120
Less: Net earnings attributable to noncontrolling interest	306	—	—
Net earnings attributable to W.W. Grainger, Inc.	<u>\$ 430,466</u>	<u>\$ 475,355</u>	<u>\$ 420,120</u>
Earnings per share:			
Basic	<u>\$ 5.70</u>	<u>\$ 6.07</u>	<u>\$ 5.01</u>
Diluted	<u>\$ 5.62</u>	<u>\$ 5.97</u>	<u>\$ 4.91</u>
Weighted average number of shares outstanding:			
Basic	<u>73,786,346</u>	<u>76,579,856</u>	<u>82,403,958</u>
Diluted	<u>74,891,852</u>	<u>77,887,620</u>	<u>84,173,381</u>

The accompanying notes are an integral part of these financial statements.

W.W. Grainger, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(In thousands of dollars)

	For the Years Ended December 31,		
	2009	2008	2007
Net earnings	\$430,772	\$475,355	\$420,120
Other comprehensive earnings (losses):			
Foreign currency translation adjustments, net of tax (expense) benefit of \$(7,813), \$11,454 and \$(9,279), respectively	54,693	(79,287)	53,545
Reclassification of cumulative currency translation gain....	(3,145)	—	—
Defined postretirement benefit plan:			
Prior service (cost) credit arising during period	(8,715)	—	9,433
Amortization of prior service credit.....	(1,215)	(1,215)	(437)
Amortization of transition asset.....	(143)	(143)	(143)
Net gain (loss) arising during period	3,402	(49,872)	11,620
Amortization of unrecognized losses.....	4,135	1,312	2,094
Income tax benefit (expense)	984	19,368	(8,756)
Net defined postretirement benefit plan adjustments	(1,552)	(30,550)	13,811
Gain (loss) on other employment-related benefit plans, net of tax benefit (expense) of \$205, \$544 and \$(878), respectively.....	(554)	(859)	1,384
Total other comprehensive earnings (losses)	49,442	(110,696)	68,740
Comprehensive earnings, net of tax.....	480,214	364,659	488,860
Comprehensive earnings attributable to noncontrolling interest:			
Net earnings	(306)	—	—
Foreign currency translation adjustments	1,457	—	—
Comprehensive earnings attributable to W.W. Grainger, Inc. ...	<u>\$481,365</u>	<u>\$364,659</u>	<u>\$488,860</u>

The accompanying notes are an integral part of these financial statements.

W.W. Grainger, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

(In thousands of dollars, except for per share amounts)

ASSETS	As of December 31,		
	2009	2008	2007
CURRENT ASSETS			
Cash and cash equivalents	\$ 459,871	\$ 396,290	\$ 113,437
Marketable securities at cost, which approximates market value	—	—	20,074
Accounts receivable (less allowances for doubtful accounts of \$25,850, \$26,481 and \$25,830, respectively)	624,910	589,416	602,650
Inventories	889,679	1,009,932	946,327
Prepaid expenses and other assets	88,364	73,359	61,666
Deferred income taxes	42,023	52,556	56,663
Prepaid income taxes	26,668	22,556	—
Total current assets	2,131,515	2,144,109	1,800,817
PROPERTY, BUILDINGS AND EQUIPMENT			
Land	237,867	192,916	178,321
Buildings, structures and improvements	1,078,439	1,048,440	977,837
Furniture, fixtures, machinery and equipment	950,187	890,507	848,118
	2,266,493	2,131,863	2,004,276
Less accumulated depreciation and amortization	1,313,222	1,201,552	1,125,931
Property, buildings and equipment – net	953,271	930,311	878,345
DEFERRED INCOME TAXES	79,472	97,442	54,658
INVESTMENTS IN UNCONSOLIDATED ENTITIES	3,508	20,830	14,759
GOODWILL	351,182	213,159	233,028
OTHER ASSETS AND INTANGIBLES – NET	207,384	109,566	112,421
TOTAL ASSETS	\$3,726,332	\$3,515,417	\$3,094,028

W.W. Grainger, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS – CONTINUED

(In thousands of dollars, except for per share amounts)

LIABILITIES AND SHAREHOLDERS' EQUITY	As of December 31,		
	2009	2008	2007
CURRENT LIABILITIES			
Short-term debt.....	\$ 34,780	\$ 19,960	\$ 102,060
Current maturities of long-term debt.....	53,128	21,257	4,590
Trade accounts payable.....	300,791	290,802	297,929
Accrued compensation and benefits	135,323	162,380	182,275
Accrued contributions to employees' profit sharing plans	121,895	146,922	126,483
Accrued expenses.....	124,150	118,633	102,607
Income taxes payable	6,732	1,780	10,459
Total current liabilities	<u>776,799</u>	<u>761,734</u>	<u>826,403</u>
LONG-TERM DEBT (less current maturities).....	437,500	488,228	4,895
DEFERRED INCOME TAXES AND TAX UNCERTAINTIES.....	62,215	33,219	20,727
ACCRUED EMPLOYMENT-RELATED BENEFITS COSTS.....	222,619	198,431	143,895
SHAREHOLDERS' EQUITY			
Cumulative Preferred Stock – \$5 par value – 12,000,000 shares authorized; none issued nor outstanding	—	—	—
Common Stock – \$0.50 par value – 300,000,000 shares authorized; 109,659,219 shares issued.....	54,830	54,830	54,830
Additional contributed capital.....	596,358	564,728	475,350
Retained earnings	3,966,508	3,670,726	3,316,875
Accumulated other comprehensive earnings (losses).....	12,374	(38,525)	72,171
Treasury stock, at cost – 37,382,703, 34,878,190 and 30,199,804 shares, respectively	(2,466,350)	(2,217,954)	(1,821,118)
Total W.W. Grainger, Inc. shareholders' equity	<u>2,163,720</u>	<u>2,033,805</u>	<u>2,098,108</u>
Noncontrolling interest.....	63,479	—	—
Total shareholders' equity	<u>2,227,199</u>	<u>2,033,805</u>	<u>2,098,108</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$3,726,332</u>	<u>\$3,515,417</u>	<u>\$3,094,028</u>

The accompanying notes are an integral part of these financial statements.

W.W. Grainger, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of dollars)

	For the Years Ended December 31,		
	2009	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	\$ 430,772	\$ 475,355	\$ 420,120
Provision for losses on accounts receivable	10,748	12,924	15,436
Deferred income taxes and tax uncertainties	21,683	5,182	(18,632)
Depreciation and amortization.....	147,531	139,570	131,999
Stock-based compensation.....	40,407	45,945	35,551
Tax benefit of stock incentive plans.....	2,894	1,925	3,193
Net losses (gains) on property, buildings and equipment.....	8,642	(9,232)	(7,254)
Income from unconsolidated entities – net.....	(1,497)	(3,642)	(2,016)
(Gain) write-off of unconsolidated entities	(47,343)	6,031	—
Change in operating assets and liabilities – net of business acquisitions:			
(Increase) decrease in accounts receivable	2,794	(5,592)	(41,814)
(Increase) decrease in inventories	175,286	(92,518)	(97,234)
(Increase) decrease in prepaid expenses	(11,180)	(33,629)	(2,342)
Increase (decrease) in trade accounts payable	(16,736)	(6,960)	(39,436)
Increase (decrease) in other current liabilities	(52,944)	199	54,457
Increase (decrease) in current income taxes payable	2,472	(7,784)	2,304
Increase (decrease) in accrued employment-related benefits costs	22,080	3,216	17,705
Other – net	(3,213)	(924)	(3,162)
Net cash provided by operating activities.....	<u>732,396</u>	<u>530,066</u>	<u>468,875</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property, buildings and equipment	(142,414)	(194,975)	(197,423)
Proceeds from sales of property, buildings and equipment	1,684	13,620	12,084
Cash paid for business acquisitions, net of cash acquired, and other investments	(121,833)	(14,793)	(9,480)
Investments in unconsolidated entities.....	—	(6,487)	(2,138)
Net cash used in investing activities	<u>\$(262,563)</u>	<u>\$(202,635)</u>	<u>\$(196,957)</u>

W.W. Grainger, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS – CONTINUED

(In thousands of dollars)

	For the Years Ended December 31,		
	2009	2008	2007
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net (decrease) increase in commercial paper	\$ —	\$ (95,947)	\$ 95,947
Borrowings under line of credit.....	46,125	29,959	14,107
Payments against line of credit.....	(43,583)	(15,437)	(7,751)
Proceeds from issuance of long-term debt	—	500,000	—
Payments of long-term debt	(18,856)	—	—
Proceeds from stock options exercised	91,165	46,833	113,500
Excess tax benefits from stock-based compensation.....	19,030	13,533	30,696
Purchase of treasury stock	(372,727)	(394,247)	(647,293)
Cash dividends paid.....	(134,684)	(121,504)	(113,093)
Net cash used in financing activities	(413,530)	(36,810)	(513,887)
Exchange rate effect on cash and cash equivalents	7,278	(7,768)	6,935
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	63,581	282,853	(235,034)
Cash and cash equivalents at beginning of year	396,290	113,437	348,471
Cash and cash equivalents at end of year	<u>\$ 459,871</u>	<u>\$ 396,290</u>	<u>\$ 113,437</u>
Supplemental cash flow information:			
Cash payments for interest (net of amounts capitalized)	\$ 8,766	\$ 14,508	\$ 4,409
Cash payments for income taxes	235,043	306,960	244,541
Noncash investing activities:			
Fair value of noncash assets acquired in business acquisitions	\$ 324,913	\$ 41,068	\$ 5,039
Liabilities assumed in business acquisitions.....	(75,530)	(6,778)	(341)

The accompanying notes are an integral part of these financial statements.

W.W. Grainger, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands of dollars, except for per share amounts)

	W.W. Grainger, Inc. Shareholders' Equity					
	Common Stock	Additional Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Losses)	Treasury Stock	Noncontrolling Interest
Balance at January 1, 2007.....	\$ 54,829	\$478,454	\$3,007,606	\$ 3,431	\$(1,366,705)	\$ —
Cumulative effect of a change in accounting principle.....	—	—	870	—	—	—
Reinstatement of equity method.....	—	—	1,372	—	—	—
Exercise of stock options.....	—	(19,991)	—	—	133,491	—
Tax benefits on stock-based compensation awards.....	—	33,889	—	—	—	—
Stock option expense.....	—	16,888	—	—	—	—
Amortization of other stock-based compensation awards.....	—	18,667	—	—	—	—
Vesting of restricted stock.....	—	—	—	—	(1,126)	—
Settlement of other stock-based compensation awards.....	1	(2,557)	—	—	1,189	—
Purchase of treasury stock.....	—	(50,000)	—	—	(587,967)	—
Net earnings.....	—	—	420,120	—	—	—
Other comprehensive earnings.....	—	—	—	68,740	—	—
Cash dividends paid (\$1.34 per share).....	—	—	(113,093)	—	—	—
Balance at December 31, 2007.....	\$ 54,830	\$475,350	\$3,316,875	\$ 72,171	\$(1,821,118)	\$ —
Exercise of stock options.....	—	(12,663)	—	—	59,460	—
Tax benefits on stock-based compensation awards.....	—	15,458	—	—	—	—
Stock option expense.....	—	19,868	—	—	—	—
Amortization of other stock-based compensation awards.....	—	26,077	—	—	—	—
Vesting of restricted stock.....	—	—	—	—	(417)	—
Settlement of other stock-based compensation awards.....	—	(9,362)	—	—	5,209	—
Purchase of treasury stock.....	—	50,000	—	—	(461,088)	—
Net earnings.....	—	—	475,355	—	—	—
Other comprehensive earnings.....	—	—	—	(110,696)	—	—
Cash dividends paid (\$1.55 per share).....	—	—	(121,504)	—	—	—
Balance at December 31, 2008.....	\$ 54,830	\$564,728	\$3,670,726	\$ (38,525)	\$(2,217,954)	\$ —

W.W. Grainger, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY – CONTINUED

(In thousands of dollars, except for per share amounts)

	W.W. Grainger, Inc. Shareholders' Equity					Noncontrolling Interest
	Common Stock	Additional Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Losses)	Treasury Stock	
Balance at December 31, 2008	\$54,830	\$564,728	\$3,670,726	\$ (38,525)	\$(2,217,954)	\$ —
Exercise of stock options	—	(15,614)	—	—	106,255	96
Tax benefits on stock-based compensation awards	—	21,924	—	—	—	—
Stock option expense	—	16,100	—	—	—	98
Amortization of other stock-based compensation awards	—	24,307	—	—	—	—
Vesting of restricted stock	—	—	—	—	(926)	—
Settlement of other stock-based compensation awards	—	(15,087)	—	—	8,525	—
Purchase of treasury stock	—	—	—	—	(362,250)	—
Net earnings	—	—	430,466	—	—	306
Other comprehensive earnings	—	—	—	50,899	—	(1,457)
Cash dividends paid (\$1.78 per share)	—	—	(134,684)	—	—	—
Change in subsidiary ownership	—	—	—	—	—	64,436
Balance at December 31, 2009	<u>\$54,830</u>	<u>\$596,358</u>	<u>\$3,966,508</u>	<u>\$ 12,374</u>	<u>\$(2,466,350)</u>	<u>\$ 63,479</u>

The accompanying notes are an integral part of these financial statements.