



Solicitation Number: RFP #091422

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and W.W. Grainger, Inc., 100 Grainger Parkway, Lake Forest, IL 60045, and Acklands-Grainger, Inc., 123 Commerce Valley Drive East, Suite 700, Thornhill, ON L3T 7W8, collectively referred to in the attached Proposal as, "Grainger North America" (separately and collectively herein, Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Facility MRO, Industrial, and Building-Related Supplies and Equipment from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires November 8, 2026, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended up to two times, for one additional year per extension, upon the request of Sourcewell and written agreement by Supplier.
- C. **SURVIVAL OF TERMS.** Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

A. EQUIPMENT, PRODUCTS, OR SERVICES. Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. WARRANTY. Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's standard product warranty policy for Participating Entity purchases in the US or Canada (as revised from time-to-time) are available on the grainger.com and grainger.ca websites, respectively, and are incorporated by reference. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. DEALERS, DISTRIBUTORS, AND/OR RESELLERS. Upon Contract execution and throughout the Contract term, Supplier will make available to Sourcewell, upon Sourcewell request, a current means to validate or authenticate Supplier's authorized resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition, which may include a separate line item for freight other than standard ground shipment as described in the attached Proposal. This means that the quoted cost, with such additional freight on non-standard ground shipments, is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity. Supplier's standard product return policy for Participating Entity purchases in the US or Canada (as revised from time-to-time) are available on the grainger.com and grainger.ca websites, respectively, and are incorporated by reference.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. **SALES TAX.** Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. **HOT LIST PRICING.** At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities. Supplier's Proposal includes additional detail regarding its Hot List program for U.S. and Canadian Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Request Form will become an amendment to this Contract and will be incorporated by reference. Supplier will not be required to produce third-party confidential or proprietary information as justification for a requested price change, however, Sourcewell will make its determination on a price change request based on the information provided.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. A Participating Entity may be required by Supplier to document the Participating Entity's affiliation to this Contract prior to accessing the benefits of this Contract. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities

to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment and payment terms are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, orders for non-catalog sourced products or services, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum, the terms of which will be negotiated directly between the Participating Entity and the Supplier or its authorized dealers, distributors, or resellers, as applicable. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. **TERMINATION OF ORDERS.** Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. **GOVERNING LAW AND VENUE.** The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. **PRIMARY ACCOUNT REPRESENTATIVE.** Supplier will assign an Account Representative to Sourcwell for this Contract and must provide prompt notice to Sourcwell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcwell and Participating Entity inquiries; and
- Business reviews to Sourcwell and Participating Entities, if applicable.

B. **BUSINESS REVIEWS.** Supplier must perform a minimum of one business review with Sourcwell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, performance issues, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. **CONTRACT SALES ACTIVITY REPORT.** Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcwell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;



Pricing Offer

Law Enforcement Equipment “Hot List”: Grainger North America, through decades of serving government customers, has captured purchasing data reflecting current and relevant product needs to compile its Hot List offer. Grainger North America presents a Law Enforcement Equipment Hot List to all US and Canada Sourcewell Members who complete the Law Enforcement Equipment contract affiliation process to access the Sourcewell/Grainger contract award. The offer is comprised of the highest volume and most frequently purchased products by a broad mix of government agencies.

Member Market Baskets: In addition to the Grainger Law Enforcement Equipment Hot List, we offer the ability for each affiliated Member to create a custom Member Market Basket of up to 100 items. To drive additional cost savings while enhancing procurement stability, Members can select a custom Market Basket consisting of law enforcement-related products the individual Member most frequently procures. The Grainger North America Sales Team will work with Members seeking to consolidate, standardize, and identify a product list and price.

Large Order and Volume Discounts: Grainger has years of experience working with Sourcewell Members on individual projects and discounted pricing. Grainger North America will continue to work with Sourcewell Members to leverage additional discounts for large, single orders, based on size and scope.

Customer Specific Pricing (CSP): Grainger North America recognizes the importance of providing Members with relevant pricing for specific products in special circumstances. Deeper discounted pricing can be sought in the form of Customer Specific Pricing (CSP) as it relates to specific opportunities.

Category Discounts: In addition to the Hot List of Law Enforcement Equipment items and the Member Market Basket, Grainger will provide the category discounts aligned to Grainger’s Sourcewell Facility MRO Supplies & Services Agreement #121218-WWG (the MRO Contract), so long as it remains valid, through the term of this Law Enforcement Equipment agreement. These category discounts are applied to Grainger North America’s Contract Reference Price (CRP). For Sourcewell Members, CRP is found on Grainger.com and Grainger.ca when Members log into their account. The CRP at the time of purchase will be the price to which any contract discounts will be applied. The offered category discounts are fixed through the life of the contract across 21 MRO categories.

Grainger recognizes the operational importance to provide Member’s access to items that fall outside the Hot List which may not be aligned to a specific category. Grainger North America provides a 5% discount off of CRP on products that fall outside the Hot List, market baskets, and defined category discounts.

Grainger North America MRO Category Discounts

Sourcewell MRO Categories (US & Canada)	Current CRP Discount
Air Filters	40%
Batteries	19%
Cleaning Equipment & Supplies	22%
Electrical Supplies	23%
Fasteners	30%
HVAC Supplies	17%
Lab Supplies	15%
Lighting/Lamps/Ballast	22%



Sourcewell MRO Categories (US & Canada)	Current CRP Discount
Lubricants, Adhesives, Sealants & Tape	10%
Material Handling, Storage & Packaging	15%
Measuring Tools & Test Instruments	6%
Motors & Power Transmission	19%
Outdoor Equipment	12%
Paint	10%
Plumbing	20%
Pumps & Pneumatics	6%
Safety	19%
Security	15%
Hand Tools	14%
Power Tools	11%
Welding, Machining & Cutting	10%

For full details on the pricing elements of Sourcewell Law Enforcement Equipment #090122, please visit [Search Sourcewell Awarded Contracts & Vendors | Sourcewell \(sourcewell-mn.gov\)](#).