

## I. INTRODUCTION

Since 2006 Grainger has demonstrated, through our successful business relationship, the ability to continuously meet or exceed the Public Safety and Emergency Management Related Equipment, Supplies, and Services needs all National Joint Powers Alliance (NJPA) members regardless of size or geographical location. By partnering collaboratively to gain a shared understanding with NJPA, Grainger has been able to create an alliance that is unified and delivers results that are measureable and cost effective.

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

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

## II. LINE ITEM PRICING/MEMBER HOT LIST/VOLUME DISCOUNTS/CUSTOMER SPECIFIC PRICING (CSP)

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

### A. NJPA Line Item Pricing

Grainger offers a Line item price list consisting of approximately 500 items as included in the Line Item Pricing List, of Attachment 1. The line item pricing list is based upon the 500 top Public Sector safety items. These items include, but are not limited to, the most frequently purchased Public Sector safety items from actual NJPA Members over the last twelve (12) month period.

Line Item Pricing List item net prices will be held firm for twelve (12) months from the contract award date ("Contract Year"). In the event a Line Item Pricing item is discontinued, Grainger will work with NJPA to find a mutually agreeable replacement item for addition to the Line Item Pricing List. Grainger will review the Line Item Pricing List of items on an annual basis to ensure this list of items remains customized and relevance based on NJPA Member Public Sector safety needs. This review will be based on data accumulated by Grainger throughout the term of this contract. An annual review and application of this data will ensure that NJPA Members continue to receive the most significant savings on the items they purchase most.

### B. NJPA Member Hot List

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

**Member Hot List:** Grainger will offer individual NJPA Members the option to develop a customized hot list. In exchange for these additional discounts, it is Grainger's expectation that NJPA Members will strive to purchase these items from Grainger. Grainger will work with respective NJPA Members to develop a customized Member Hot List based upon the Member's critical or most frequently purchased items.

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

In the event a Member Hot List Item is discontinued, Grainger will work with the NJPA Member to identify a mutually agreeable replacement product and will add this replacement item to the Member Hot List.

For products not on the Hot List, all percentage-off discounts for Catalog Products shall be deducted from the Contract Reference Price ("CRP") in effect at the time the Catalog Product is purchased by Member from Grainger. Current Contract Reference Prices for Catalog Products shall be available when Member logs into its account on Grainger's Website. The Contract Reference Price may change three times annually, generally on January 1, May 1 and August 1 ("Adjustment Dates").

### C. Volume Price Discounts Resulting from Competitive Situations- Customer Specific Pricing (CSP)

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

## III. OVERVIEW OF PERCENTAGE DISCOUNT PROGRAMS

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

### A. Product Category Discount Program

Category	Discount Off of CRP
Safety	12%
Gloves and Hand Protection	12%
Security	12%
Head Protection	12%
Traffic Safety	12%
Hearing Protection	12%
Footwear and Footwear Accessories	12%
Respiratory	12%
Police and EMT Uniforms	12%
Detectors, Scanners, and Accessories	12%
Self Defense	12%
Access Barriers and Crowd Control	12%

For products not in the Line Item Pricing List or the Member Hot List, as noted above, Category Discounts will apply to the Contract Reference Price at time of transaction. Grainger's Contract Reference Price may change three times annually, generally on January 1, May 1 and August 1 ("Adjustment Dates").

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

New products added to [Grainger.com](http://Grainger.com) and products that are re-categorized into different product categories may not immediately receive the applicable Category Discount. Nevertheless, these products will receive a minimum discount of 3% off the Contract Reference Price at time of transaction.

### **B. General Catalog Discount of 3%**

This Program offers participating NJPA Members a firm discount of three percent (3%) off of the Contract Reference Price for the term of the contract. This discount applies to all products not categorized per the Product Category Discount Program described in section III-A above. Grainger reserves the right, in its sole discretion to determine the appropriate category for a particular product. In general, products will be categorized based on Grainger's system and product hierarchy.

### **C. Services**

Grainger will price services at three percent (3%) off the Contract Reference Price as reflected when Member logs into its account on Grainger's Website at time of transaction. Upon addition of any new service to Grainger.com to which a Contract Reference Price is assigned, Grainger will offer that service at 3% off such Contract Reference Price. Service(s) added to Grainger.com during the term of this Agreement will be immediately included as part of the Contract and no written amendment shall be necessary to include them under Contract terms and conditions.

## **I. IMPACT OF DIFFERENT PRICING**

Grainger's offer is unique to new and current affiliated Members to the NJPA Public Safety Contract, in that any affiliated Member will also have access to Grainger's MRO pricing and products. This will allow NJPA Members to streamline their procurement process and operations for MRO items and materials.

Pricing and discounts reflected in this NJPA Public Safety contract will also be reflected in NJPA's MRO contract 102114. Similarly, pricing and discounts reflected in NJPA MRO contract will be reflected in this NJPA Public Safety contract.

## **V. MINORITY, SMALL BUSINESS AND WOMEN BUSINESS ENTERPRISE**

Grainger has over twenty (20) years of successful experience offering ESB/MBE/WBE/DV companies opportunities through two core programs. Grainger's Supplier Diversity Program affords ESB/MBE/WBE/DV manufacturers and suppliers access to Grainger's 1.2 million US customers. Grainger has 170 ESB/MBE/WBE/DV product suppliers providing items to customers through our catalog and distribution channels. These Certified Supplier Diversity companies employ more than 9,000 people across the US.

Grainger's Distributor Alliance program provides opportunities for ESB/MBE/WBE/DV companies to assist government agencies in meeting their MRO product and service requirements. In the Distributor Alliance reseller program, NJPA members can leverage these companies' expertise and experience to buy their MRO products and meet ESB/MBE/WBE/DV goals. The program has grown to more than sixty (60) distributors offering products in all states.

## **VI. GRAINGER PRODUCT SOURCING PROGRAM**

Grainger's sourcing team procures Public Safety supplies products not found in the Grainger General Catalog. Grainger's sourcing team leverages Grainger's buying power for Public Safety products not included in its 1.5 million Catalog product offering and provides customers with a total cost solution for acquiring infrequently ordered items. Through this capability, Grainger provides quick access to over 6,500 suppliers. Additionally, this

channel provides access to line extensions (non-Grainger General Catalog product from Grainger General Catalog suppliers) and some discontinued product catalog lines.

Sourcing is a Center of Excellence designed to extend Grainger's product breadth and depth, beyond our standard offer and allows customers to further consolidate their purchases of maintenance, repair, and operating supplies. Please see Exhibit 16, **Grainger's Sourcing Terms and Conditions** and Exhibit 17. **Grainger Sourcing Literature**

## **VII. PREPAID FREIGHT PROGRAM**

Grainger offers the NJPA Member pre-paid freight on standard ground shipments. Title transfers to NJPA Members at time of delivery, FOB Destination. Other terms and fees may apply for shipment of product to Alaska, Hawaii, U.S. Territories as well as export orders and orders placed for Sourced Products. Charges and fees incurred for additional services, such as expedited delivery, carrier or special handling by the carrier, air freight, freight collect, export orders, hazardous materials, customer's carrier, shipments outside the contiguous U.S. or other special handling by the carrier will be paid by Member.

## **VIII. EMERGENCY SERVICE PROGRAM**

After Hour 24/7 Emergency Service: Grainger's after hours emergency service is provided at no extra cost to the NJPA member. Assistance after standard Grainger branch business hours is provided through a toll-free number (800-225-5994). The call center will engage local Grainger team members to provide assistance. The local team will contact the NJPA member within 1 hour of the initial call to address the emergency need.

24-hour service and support personnel are also available to assist in response to emergency situations faced by state and local governments such as man-made and natural disasters.

**Grainger will waive its customary \$50 emergency fee as defined in our response for NJPA Members.**

## **VII. NJPA MEMBER INCENTIVE**

Grainger proposes a One Percent (1%) NJPA Member Incentive payable to those NJPA Members who meet the following criteria: (1) have made at least Twenty-five Thousand Dollars (\$25,000.00) in total Qualifying Purchases, defined as purchases from MRO contract 102114 and this Public Safety contract during the immediately preceding Contract Year; AND (2) have demonstrated purchase growth of at least Ten Percent (10%) over the immediately preceding Contract Year. For those NJPA Members with no prior purchase history with Grainger, the NJPA Member Incentive will be offered upon the achievement of at least Twenty-five Thousand Dollars (\$25,000.00) in Qualifying Purchases during the applicable Contract Year.

Total Qualifying Purchases Incentive will be paid to NJPA Members by Grainger within forty five days (45) following the end of the respective Member MRO contract 102114 year.