

**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,
AND SOLUTIONS REQUEST**



Company Name: Fastenal Company

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by Sourcewell or included in the final contract. Sourcewell will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	Sourcewell ACCEPTS
7.14, p. 27	Contract Termination for Cause and Without Cause	Add the following language: "Either party may terminate this Agreement at any time for its convenience with not less than thirty (30) days prior written notice."	Sourcewell Accepts

Proposer's Signature: _____

Date: 12/10/2018

Sourcewell's clarification on exceptions listed above:



Contract Award
RFP #121218



FORM D

Formal Offering of Proposal
(To be completed only by the Proposer)

FACILITY MRO (MAINTENANCE, REPAIR & OPERATIONS), INDUSTRIAL & BUILDING SUPPLIES WITH RELATED EQUIPMENT, ACCESSORIES, SUPPLIES & SERVICES

In compliance with the Request for Proposal (RFP) for FACILITY MRO (MAINTENANCE, REPAIR & OPERATIONS), INDUSTRIAL & BUILDING SUPPLIES WITH RELATED EQUIPMENT, ACCESSORIES, SUPPLIES & SERVICES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Company Name: Fastenal Company

Date: 12/10/2018

Company Address: 2001 Theurer Blvd.

City: Winona

State: MN

Zip: 55987

CAGE Code/DUNS: 0Y3H3 / 04 265 3634

Contact Person: Kevin Fitzgerald

Title: VP of Government Sales

Authorized Signature: _____

Terry Owen

(Name printed or typed)

FORM E

CONTRACT ACCEPTANCE AND AWARD



(Top portion of this form will be completed by Sourcewell if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

Sourcewell Contract #: 121218-FAS

Proposer's full legal name: Fastenal Company

Based on Sourcewell's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by Sourcewell.

The effective date of the Contract will be January 25, 2019 and will expire on January 25, 2023 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

Sourcewell Authorized Signatures:

DocuSigned by:
Jeremy Schwartz
C0FD2A139D06489
SOURCEWELL DIRECTOR OF OPERATIONS AND
PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)

DocuSigned by:
Chad Coauette
7E42B6F617A64CC...
SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coauette
(NAME PRINTED OR TYPED)

Awarded on January 23, 2019

Sourcewell Contract # 121218-FAS

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name Fastenal Company

Authorized Signatory's Title Executive Vice President

[Signature]
VENDOR AUTHORIZED SIGNATURE

Charles Miller
(NAME PRINTED OR TYPED)

Executed on January 24, 2019

Sourcewell Contract # 121218-FAS



Form F

PROPOSER ASSURANCE OF COMPLIANCE

Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to Sourcewell members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of Sourcewell, or any person, firm, or corporation under contract with Sourcewell, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.
4. The Proposer will, if awarded a Contract, provide to Sourcewell Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
7. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify Sourcewell for reasonable measures that Sourcewell takes to uphold such a data designation.

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands, and agrees to comply with the terms and conditions specified above.

Company Name: Fastenal Company

Address: 2001 Theurer Blvd.

City/State/Zip: Winona, MN 55987

Telephone Number: 507-454-5374

E-mail Address: kfitzger@fastenal.com

Authorized Signature: _____

Authorized Name (printed): Terry Owen

Title: Executive Vice President

Date: 12/10/2018

Notarized



Subscribed and sworn to before me this 10 day of December, 2018

Notary Public in and for the County of Winona State of Minnesota

My commission expires: 1/31/2019

Signature: Heather Jean Fransen

Form P

PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions

Proposer Name: Fastenal Company

Questionnaire completed by: Kevin Fitzgerald

Payment Terms and Financing Options

1) What are your payment terms (e.g., net 10, net 30)?

Standard payment terms are Net 30.


2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?

Not applicable.

3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to Sourcewell. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell Members' purchase orders.

With more than 2,200 local branches worldwide, we are where you are. One of Fastenal's key differentiators in the industrial supply distribution marketplace is the number of options we offer for order placement.

Below is a look at the various ways Sourcewell Members can order from Fastenal:

WALK-IN / WALK-OUT AT THE LOCAL FASTENAL BRANCH	
<p>Sourcewell Members can order items by walking into the local branch, calling the branch, or faxing or emailing their order. Local branches are open during normal business hours of 7:30 a.m. to 5:00 p.m. local time, Monday through Friday. Branches can be opened after hours for emergency service. Local Fastenal branch information is available 24/7 via www.fastenal.com under the Branch Locator as well as in the local phone books in more than 2,200 markets.</p>	

CUSTOMER SITE VISITS

With over 11,000 representatives, Fastenal makes more than three million customer site visits per year. The goal of these visits is to provide superior customer service and drive cost savings to each of Fastenal's customers by providing a local person to help in the ordering process.



CUSTOMER SERVICE CENTER

Fastenal's Customer Service Center includes dedicated Sourcewell customer service representatives. Fastenal has a toll-free phone number (877-507-7555) as well as a toll-free fax number (866-664-1246) and email address: govsales@fastenal.com



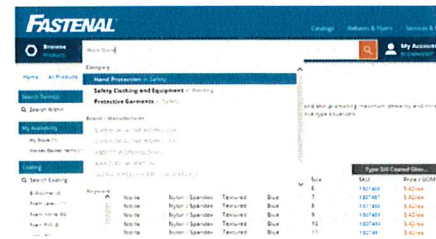
PRODUCT SOURCING

Sourcing of non-core items is service that Fastenal offers to customers to procure items that are not available within Fastenal's distribution system. The local Fastenal branch manages the sourcing, procurement, delivery, and, if required, the inventory management of the sourced items as part of a Fastenal vendor managed inventory solution. Fastenal's sourced items may be a direct line extension with an existing vendor or the item may be procured same day from local vendors. Pricing for sourced items is based on current market conditions and negotiated locally on a per-order basis.



FASTENAL.COM

Sourcewell Members who prefer to place their orders online have the option to place orders through Fastenal's state-of-the-art website. Members will be able to log in with their branch account number to view the Sourcewell online catalog. Fastenal primarily fulfills online orders at the local branch, maintaining the continuity of the local relationship as well as the order history for local inventory stocking models and reporting.



FAST SOLUTIONS – INVENTORY MANAGEMENT

Local Fastenal branches can stock customized dedicated inventory for Sourcewell Members and keep just the right amount flowing to their stocking locations, minimizing waste, downtime, and total costs. Through these programs, local Fastenal personnel take on the “heavy lifting” of inventory monitoring, ordering, and replenishment. FAST Solutions are tailored to meet the needs of each individual site.

BIN STOCK: Fastenal currently has 40,000+ bin stock solutions implemented at customer facilities. Members utilize this solution to organize and add efficiency to the ordering process managed by the member or Fastenal. We organize & label new or existing bins and collaborate to establish initial min/max levels and service schedule. Suggested replenishment orders are submitted, reviewed and approved via Fastenal.com.



VENDING: Fastenal currently has 63,000+ industrial vending machines installed at customer sites. Members position these devices at the point of use allowing more efficient access to inventory all while maintaining security and ensuring allocation rules are followed. When stock runs low, the machine sends an automated notification to the servicing branch and the Fastenal representative initiates the restock process.



ONSITE: Fastenal currently has 600+ onsite locations. Members who implement an onsite program can streamline all of these procurement needs:

- Point-of-use access via onsite representative to source, procure, and expedite product needs
- Various eBusiness solutions
- Integrated procurement systems
- Product standardization & substitutions
- Capital improvement projects
- Custom manufacturing
- Industrial services – tool repair, regrind, lifting and rigging, hose assembly
- Preventative maintenance project kitting



ECOMMERCE INTEGRATION PLATFORMS: Whether we connect through a B2B connection, a portal, or our FastConnect punch-out platform your business results are the same: paperless transactions, lower administration costs, and clear usage and spending visibility.



- 4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell Members for using this process?

P-cards/credit cards are accepted at the time of purchase only, with no additional cost.

Warranty

- 5) Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.

- Do your warranties cover all products, parts, and labor?
Please see the attached “Exhibit F - Warranty Policy.”
- Do your warranties impose usage restrictions or other limitations that adversely affect coverage?
Please see the attached ‘Exhibit F - Warranty Policy.’
- Do your warranties cover the expense of technicians’ travel time and mileage to perform warranty repairs?
Not Applicable.
- Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell Members in these regions be provided service for warranty repair?
Not Applicable.
- Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?
Fastenal does provide warranty services for some power tools made by other manufacturers for an additional year on top of the original manufacturer’s warranty.
- What are your proposed exchange and return programs and policies?
Fastenal must approve cancellation of any order prior to shipment. Orders for Special or Non-standard Products (not in the catalogue) may not be cancelled or returned. Any returns for shipping errors, damage or loss upon delivery must be reported within 10 days of the delivery date. Except as otherwise agreed, Products will not be accepted for return after 30 days from the date of delivery to the Purchaser. Any cancellation or returns accepted after 30 days may be subject to a restocking fee and other charges, for which the Purchaser shall be responsible. All returns should be made to a Fastenal branch or as otherwise designated by Fastenal, and must be in resalable condition and accompanied with an Invoice.

- 6) Describe any service contract options for the items included in your proposal (“on call”, retainer, etc.).
Fastenal is offering our Onsite solutions as a service to Sourcewell Members. Here’s a brief overview at the potential benefits for select Sourcewell Member sites:

- An onsite (or, if preferred, nearby) Fastenal storeroom with consigned inventory to anticipate the facility’s needs – we own it until it’s on the production floor.
- The onsite Fastenal team would handle all inventory management functions – from sourcing, ordering, receiving and kitting, to point-of-use disbursement and usage reporting.
- The team also serves as expert supply chain consultants, drawing on Fastenal’s spectrum of suppliers, services and solutions to drive incremental cost savings and continuous improvement.
- Point-of-use vending and bin stock locations, with customized inventory modeling to eliminate stock-outs.
- Immediate access to high-use items, critical spares, and a variety of unplanned spot buys.

Simply put, we assume the labor and costs of inventory procurement, management and ownership. You benefit from everything Fastenal has to offer – from our global sourcing operations, to our point-of-use solutions, to our vendor partners and in-house experts – all working to drive TCO savings in four key areas:

- ✓ Increase revenues (productivity)
- ✓ Decrease assets (inventory)
- ✓ Decrease expenditures (labor, freight, consumption, price, material substitutions, etc.)

- ✓ Implement process controls (SOP, QSOP, continuous improvement)

Please see the attached “Exhibit G - Fastenal Onsite Agreement.”

Pricing, Delivery, Audits, and Administrative Fee

- 7) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

Product Categories

Abrasives; Adhesives, Sealants, and Tape; Cutting Tools and Metalworking; Electrical; Electronics and Batteries; Fasteners; Fleet and Automotive; HVAC and Refrigeration; Hardware; Hydraulics; Janitorial and Cleaning; Lighting; Lubricants, Coolants, and Fluids; Machinery; Material Handling, Lifting and Rigging; Motors; Office and Breakroom Supplies; Outdoor Products and Equipment; Packaging and Shipping Products; Paint and Painting Supplies; Plumbing; Pneumatics; Power Transmission; Pumps; Raw Materials; Safety; Security; Test and Measurement; Tools and Equipment; Welding.

Services

Product Services

Product Sourcing: Sourcing of non-core items is service that Fastenal offers to customers to procure items that are not available within Fastenal’s distribution system. The local Fastenal branch manages the sourcing, procurement, delivery, and, if required, the inventory management of the sourced items as part of a Fastenal vendor managed inventory solution. Fastenal’s sourced items may be a direct line extension with an existing vendor or the item may be procured same day from local vendors. Pricing for sourced items is based on current market conditions and negotiated locally on a per-order basis.

Custom Packaging/Kitting: Our 10 packaging facilities assemble 50,000 to 70,000 kits each day to meet our customers’ needs. Our operation in Shanghai, China is located inside a free trade zone, enabling us to source product from the most qualified manufacturers in Asia and package it to meet your specifications. Depending on your needs, we can work with standard part numbers, non-standard parts, customer-specific parts, or a mix of all. Kitted solutions can include barcoding, lot number, company logo, assembly services (e.g., applying grease to an o-ring and placing it on a bolt), and multiple sub-kits within a master kit.

FAST Solutions

Bin Stock: Each of our 50,000 plus customer bin stock programs is unique, but all share a common foundation. That includes a labeled location for each part, a targeted min/max inventory range for each location, and a nearby Fastenal branch to stock the product and keep it flowing. Our local presence enables us to tailor a solution that meets your needs for delivery, service, and control.

Vending: Fastenal’s industrial vending solutions combine point-of-use access with total traceability to drive productivity and cost savings for your business.

- Reduce Consumption – typically 25–35% as a result of the machines’ controls and reporting.
- Increase Productivity – by making product immediately available, 24/7, near the workers who need it.
- Automate Ordering – your local Fastenal rep monitors and refills the machines (a hands-free, paper-free process)

Onsite: Our distribution system has been built from the ground up to provide local inventory and service at virtually any global location — including YOUR facility. Through an Onsite partnership, we’ll bring our experts, products, and solutions within your four walls, driving cost savings and productivity gains in every corner of your business.

E-Business: Fastenal’s E-Business solutions are designed to streamline business processes while leveraging our local presence to provide the fastest possible service. This includes something no other national supplier can offer: same-day service for locally stocked items.

Industrial Services

Custom Chain Sling Fabrication & Inspection: We fabricate all chain sling types and can help you design specialty slings to suit your needs. We also offer free chain sling inspections that satisfy OSHA requirements.

Custom Logo Program: We can add your company logo (or any custom logo) to various high-visibility apparel, hard hats and safety glasses. Custom-logoed inventory can be stocked in our regional distribution centers to anticipate your future needs.

Cut-to-Length Metal, Chain & Cable: Save time, space and money by ordering what you need, when you need it.

Hose Fabrication: We can cut, assemble, crimp, test and label virtually any type, quantity or length of hose you require, from low pressure air hose to high pressure hydraulic hose.

Tool & Hoist Repair & Certification: Fastenal is an authorized service center for most leading brands of electric, cordless, pneumatic, and powder actuated tools. Tools and hoists can be regularly serviced as part of a scheduled program.

Weld-to-Length Bandsaws: Made-to-length bandsaw blades can be worked to your specifications and delivered to your location. More than 800 sizes and types are stocked in our distribution centers for fast lead times.

- 8) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.)

Fastenal Company is offering a product category discount from our wholesale price. Please visit Fastenal’s online catalog at www.fastenal.com for available products and current wholesale prices. Please see the attached ”Exhibit H - Category Discount Schedule.”

Fastenal is also offering several “Hot List” options for Sourcewell Members, including a Hot List program wherein each qualifying Member will have the ability to customize a market basket of up to 500 items. These custom market baskets can be utilized for high-use items, green items, emergency response, etc. Additionally, Fastenal has included a Hot List of the items most commonly utilized by State and Local Government customers. Please see the attached “Exhibit I - Sourcewell Hot List.”

Additionally, Fastenal can provide sourcing of non-core items to procure items that are not available within Fastenal’s distribution system. Fastenal’s sourced items may be a direct line extension with an existing vendor or the item may be procured same day from local vendors. Pricing for sourced items is based on current market conditions and negotiated locally on a per-order basis

- 9) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.

Fastenal’s discounts range from 20 – 50% off of the current wholesale price at the time of purchase.

- 10) The pricing offered in this proposal is

- a. the same as the Proposer typically offers to an individual municipality, university, or school district.
- b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- d. other than what the Proposer typically offers (please describe).

11) Describe any quantity or volume discounts or rebate programs that you offer.

Volume Discount

Fastenal understands that members may, from time to time, have unique purchasing needs requiring the purchase of products in a volume not related to ordinary purchase volume. Fastenal will assist members by identifying and passing on the additional value which may be obtained through reaching a volume purchase. The volume discounts will be negotiated between the local Fastenal branch and the Sourcewell member based on market conditions.

Rebate

To help drive participation to the Sourcewell Agreement, Fastenal has a variety of incentives available to eligible Members who reach a minimum spend threshold within a contract year. Proposed incentives may include:

- Administration Fee
- Sales Growth Incentive
- Fastenal Solutions-Onsite Incentive
- Cumulative Volume Category Discount
- Customized Hot List

12) Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.

Fastenal’s sourcing model is a value-added service that we offer to customers to source products. The local Fastenal branch manages the sourcing, procurement, delivery, and, if required, the inventory management of the sourced product as part of a Fastenal vendor managed inventory solution.

Pricing for sourced items is based on current market conditions and is negotiated locally on a per-order basis.

13) Identify any total cost of acquisition costs that are **NOT** included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.

Fastenal has not identified any total cost of acquisition costs that are not included in our pricing submission.

14) If travel expense, delivery or shipping is an additional cost to the Sourcewell Member, describe in detail the complete travel expense, shipping and delivery program.

Sourced items and orders requiring special handling or expedited shipment may be subject to shipping charges. Items requiring additional charges would be communicated to the Sourcewell Member prior to acceptance of a purchase order. Approved charges would be prepaid and billed to the member.

15) Specifically describe those travel expense, shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.

Items not in-stock at the local branch or not in-stock at the Primary Distribution Center for Alaska, Hawaii, or Canada may be subject to shipping charges.

16) Describe any unique distribution and/or delivery methods or options offered in your proposal.



Fastenal’s bin stock solutions are a perfect fit for any production and MRO items you cannot dispense out of a vending machine but are still needed on your shelves. Each solution is unique, but all share three common elements:

1. A labeled location and min/max inventory range for each part.

2. A nearby Fastenal branch to carry the inventory and make sure you always have just the right amount on hand.
3. Detailed usage reporting by location, clarifying ‘how much of which parts should be stocked where.’

Manual Solutions:

Fastenal Managed Inventory (FMI)

Save time and money by utilizing our local experts to manage your bin stock inventory.

- We organize & label new or existing bins, collaborate to establish initial min/max levels and service schedule
- We visit regularly to monitor & replenish inventory.
- Suggested replenishment orders are submitted, reviewed and approved via Fastenal.com.
- Flexible delivery (we deliver to dock or put product away).



FAST Scan

If you prefer to handle the scanning and ordering internally, Fastenal will provide an iOS-based scanning solution for your personnel to quickly generate replenishment orders.

- We organize and label bins and shelving.
- We set up profiles for local users on Fastenal.com and provide scanning devices.
- Your local personnel determine inventory levels and controls.
- We provide flexible delivery, reporting, and suggestions for improvement.



Electronic Solutions:

FAST Scale

Utilizes weight sensor technology to provide a real-time view of your *exact* quantity on hand (QOH) – a good fit for critical production parts. Users log onto Fastenal.com to view live inventory levels and adjust reorder triggers.

- We install the scale system, organize and label parts.
- An order is automatically generated when stock hits ‘min’ level.
- View and approve suggested orders via Fastenal.com.
- Flexible delivery (we deliver to dock or put product away).



Auto Bins (coming soon)

Offers a real-time view of your inventory ‘health’ (‘above min,’ ‘below min’ or ‘out of stock’ – not exact QOH) along with electronic signals prompting replenishment when stock runs low. There are two basic options:

- *Infrared Bins* – An order is triggered when stock falls below a specified ‘water mark’ in the bin.
- *2-Bin System* – An order is triggered by placing the empty bin next to an RFID chip built into the shelving.

FAST Solutions®
VENDING

With tens of thousands of machines currently implemented at customer sites, Fastenal is the dominant leader in industrial vending. ... Why? It’s a combination of our innovative technology, our low-cost, no-risk program, and most important of all, our “machine *behind* the machine” – the thousands of local Fastenal personnel making sure each solution is perpetually filled, functioning, and fully optimized for maximum savings.

- Wide variety of machines to support virtually any product needs.
- Dynamic web reporting – view real-time usage data when, where and how you want to see it.

- Machines provided free of charge based on a one-year renewable service agreement.
- Your servicing Fastenal branch teams monitor and replenish the machines – no paperwork or labor required.
- Dedicated vending specialists work hand-in-hand with our local branches to analyze usage patterns, suggest areas for improvement, and make sure the solution is driving the results you want to see.



FAST 5000 & FAST 3000

With tens of thousands of units driving results at customer sites, this is the most widely-used industrial technology in the world – a simple, versatile solution to track and control items ranging from PPE to general MRO items. The FAST 3000 is simply a more compact version of the FAST 5000. Both can function as stand-alone solutions or used in conjunction with our standard lockers.

Standard Lockers

Our standard (semi-secure) lockers are used to: 1) track and control access to larger-sized consumable products (relying on the user to enter the quantity taken), and 2) automate check-out and return of tools and other assets. They can be used with a standalone controller or in conjunction with a FAST 5000 or FAST 3000 machine.

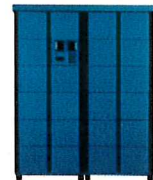


FAST 10000SL (Secure Locker) Series

This next-generation technology extends the benefits of vending to four very common (yet traditionally difficult to vend) product types: 1) boxes, 2) cylinders/cans, 3) ‘floppy’ items (Tyvek suits, belts, hoists, etc.), and 4) loose components (fasteners, fittings, cutting tools, etc.). The machines automatically sense and report the exact amount taken by each user, providing per-item traceability and a frictionless ‘grab and go’ experience.

Outdoor Lockers

With a tough steel exterior, ruggedized electronics and optional temperature control, these lockers are built to operate in harsh outdoor environments. Keep tools perpetually stocked, secure and accessible on the jobsite, and automatically track check-out/check-in of expensive tools.



FAST CT (Cutting Tool) Machines

Designed to dispense and track inserts and round tools, either individually or in pre-determined quantities. The compact design of the machines (combined with the low cost of our vending program) makes it practical to install multiple point-of-use machines throughout the shop (versus a single centralized unit) for increased productivity.

FAST Solutions[®] ONSITE

The purest expression of our local service philosophy is our Onsite service model, positioning not only our solutions but also Fastenal personnel and Fastenal-owned inventory – essentially a dedicated branch – within the walls of your facilities. Just like vending and bin stocks, this is a natural extension of our distribution infrastructure and a model we’ve pioneered in our industry, with hundreds of Onsite partnerships.

The Fastenal Onsite Advantage:

- Full program customization based on process mapping exercise.



- Dedicated onsite Fastenal team to handle all inventory management functions – the first time your employees touch the product is at the point of use
- Consigned onsite inventory within the Fastenal crib – we own it until it’s on your production floor.
- Customized inventory modeling to eliminate stock-outs.
- Immediate access to planned needs (within our crib) and a variety of spot-buy needs (via our local branch).
- Detailed, flexible reporting based on your business priorities.
- Deep collaboration, including participation in Kaizen events and other company initiatives. (As we like to say, it’s like having a team of supply chain experts on your staff, but not on your payroll.)

How Will Your Business Benefit?

✓ *Save money*

- Lower markup structure (reflecting our lower operating costs vs. our traditional branch-based service model).
- Utilize Fastenal labor for purchasing, quality inspection, inventory management, etc.
- Reduce transportation costs through better inventory planning and utilization of Fastenal’s trucking system.

✓ *Reduce inventory/working capital*

- Upon moving Onsite, we will sell down your current inventory and replace it with our own.
- Moving forward, the inventory in the Fastenal crib is on our books until we move it to the production floor. This transformation creates a dollar-for-dollar reduction in your working capital.

✓ *Gain efficiency in your facility*

- Simply put, *we are experts* – with the knowledge, solutions, and systems to run a truly world-class supply chain for your business.
- Put our decades of experience to work for you in the areas of quality/source control, OEM critical spares management, inventory planning, point-of-use supply flow, and other critical activities.

Integrated Solutions

In conjunction with our Onsite service model, Fastenal personnel can perform any and all business functions, including purchasing and managing your non-Fastenal product needs (with no mark-ups added). Each integrated supply solution is unique and will require a detailed RFP to define the scope and responsibilities. To begin the process, our team of Lean Six Sigma specialists is prepared to perform a process mapping event.

FAST Solutions[®] **E-BUSINESS**

Our e-business solutions are designed to streamline business processes while leveraging our local presence to provide the fastest possible service. This includes something no other national supplier can offer on a national level: *same-day* service for thousands of locally stocked items.

Fastenal.com

Fastenal.com is a 24/7 window to research, source, procure, and manage a spectrum of MRO, OEM and Construction supplies. Leveraging our brick-and-mortar presence at 2,200+ locations, the site is designed to present the nearest – and therefore fastest – solutions to your product needs. That includes thousands of items available for same-day fulfillment at your servicing Fastenal branches.



Key Features & Functionality:

- *My Branch:* Need it today? Click on your My Branch tab to see if the item you're searching for is stocked on your local Fastenal branch shelves.
- *In-Stock Alternative Products:* View the item you originally searched for as well as 'in-stock alternatives' offering the same fit, form and function – potential solutions for a faster lead time or lower cost.
- *Advanced Permissions Settings:* Control non-compliant spending by setting employee purchase limits, establishing authorized users and approvers, and creating an automated approval workflow.
- *eQuotes:* Edit and approve branch quotes, including suggested bin stock (eVMI) replenishment orders, without having to enter or re-type data.
- *Reports:* Access usage, vending, and cost savings reports to bring visibility to your overall spend with Fastenal.
- *Strategic Supply Recommendations:* If desired, we can analyze your usage activity and present opportunities to standardize purchases, switch to more cost-effective alternatives, and supply repetitive orders via a more strategic delivery method, such as a vending or bin stock solution.

B2B Integration

B2B integration is either a direct connection between your internal ERP system and Fastenal, or a connection via a third-party procurement partner that supports electronic document exchange throughout the purchase-to-payment process. Reduce operational costs associated with the procurement process, eliminate double and manual data entry, and ensure adherence to supplier contracts and budgets.

Why Integrate With Fastenal?

- *Experience & Flexibility* – Our in-house eBusiness department has nearly 20 years of experience developing and implementing custom integrated solutions for a broad range of customers. With capabilities ranging from different types of electronic documents and formats to fully customizable catalogs, we can quickly tailor a solution to support your system and unique business needs.
- *Local fulfillment at 2,200+ locations* – Our integration solutions are backed by local inventory and a familiar face for each of your locations. Our easy-to-use punchout catalog keeps your personnel connected with their servicing branches, with the ability to direct users to locally-stocked product options for same-day service. Features like eQuotes and Order Templates further streamline the process for ordering locally-managed inventory items.

Our integration solutions are built on open industry standards (**OCI, cXML, xCBL** and **Punchout**), and we offer integration via most leading e-business systems and portals.

FAST Crib

Monitor inventory, equipment, and even work orders – all within one platform. This web-based, barcode-driven solution supports total inventory control, including min/max-triggered replenishment and a full suite of reports providing visibility and accountability on an enterprise-wide level.

Our implementation team will oversee the entire setup process, from data gathering to labeling, and even training, so your local teams can learn how to use the system while it's being customized for them.

FAST Crib supports four key processes: inventory management, asset management, maintenance management and procurement. These core components can be custom-configured for use at any time:

- *Inventory & Asset Management:* The FAST Crib program can be customized to include anything your local personnel wish to control, issue, return, monitor, or procure. Items are loaded by part number to create barcodes which can be scanned and tracked to provide real-time inventory visibility. This works for all parts, not just items supplied by Fastenal.



- Procurement Platform: Manage all of your suppliers via a single portal utilized by all employees – great for managing spot buys, controlling rogue purchasing, and channeling spend to preferred suppliers. Comes pre-loaded with a 325,000-SKU Fastenal reference database.
- Maintenance Management: Streamline preventative maintenance with pre-formatted work orders tied to inventory with Bill of Material generation. Be proactive in your maintenance and understand the true cost to maintain assets and your facility.

17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.

Contract Management

Fastenal's Contract Management team helps implement contract terms, conditions, pricing, and time lines for deliverables such as reporting, rebates, and additional discounts (if any). The Sourcewell agreement will be managed within Fastenal's contract management system, a proprietary database that manages pricing, FOB terms, rebates, reporting, and other relevant terms.

The Contract Management team will be responsible for ensuring that the contract is correctly administered. This will include working with the Fastenal Government team to document the execution of participating addenda, any unique terms & conditions, rebates or additional fees, and/or reporting requirements of the Sourcewell Member. The Contract Management System administers the Sourcewell Agreement (including any participating addendum unique terms, fees or reporting) to the Fastenal branch account, driving compliance via the Fastenal branch point of sale (POS) system. The Contract Management team will also manage the administration of contract modifications, extensions, price updates, and other administrative correspondence.

Sales Coordinators

Once the Sourcewell Agreement is entered into the Contract Management System, the day-to-day workload of interfacing with the Government Sales department and Fastenal's branch sales personnel becomes the primary responsibility of the Sales Coordinator team. This group serves as a clearinghouse and liaison team between Contract Management and Sales.

Fastenal's Sales Coordinator team serves as the internal “customer service center” for our branch sales people, providing relevant contract information as well as the “linking” of branch accounts for Sourcewell Members to the Agreement within the Contract Management System.

The Sales Coordinators are responsible for remitting reporting to Sourcewell and the Members. This includes sales reports, usage reports, supplier diversity reporting, sustainable purchases, etc.

18) Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor’s sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member’s cost of goods. (See RFP Section 6.29 and following for details.)

Fastenal proposes an administrative fee of two percent (2%) less taxes, freight, and product returns.

Industry-Specific Questions

19) How would being awarded a Sourcewell contract allow you to better and more efficiently serve the government, education and non-profit segments?

Government agencies will be able to adopt this cooperative contract instead of publishing their own MRO contract. Government agencies will be able to take advantage of the aggressive discounts and all of Fastenal’s inventory management services through the Sourcewell contract.

20) Describe the added value your company would provide to government, education and non-profit customers through a Sourcewell-awarded contract.

Fastenal added value proposition to government agencies would include:

1. Local Service – with over 2,000 stores in the United States and Canada, Fastenal has the largest local footprint of any industrial distributor. This allows Fastenal to serve the government agency with a local person. Being local increases the customer service the government agency receives as they will be buying from someone who is close by and understands their needs. Fastenal can also stock specific products for their government customer in the local store and provide same day service on those products.
2. Distribution – Fastenal owns their distribution system, meaning we do not rely on third parties to get our products to our customers. All orders are delivered by the local sales person to the exact location the customer requests. This makes returns or exchanges of products very easy.
3. Inventory Management – Fastenal is the industry leader in inventory management solutions. Fastenal’s Bin Stock, Vending, FAST Crib and Onsite inventory management programs are designed to save the customer time and money and decreasing the total cost of ownership of their MRO supplies.

21) Describe any new products and services added to your portfolio within the past 18 months.

Innovation is one of our four core company values (along with ambition, integrity, and teamwork) and we are always on the lookout for opportunities to bring ideas, modifications, and improvements to our business. We can tailor our solutions to meet the needs of our customers and are open to adopting new methods as they appear. We also continue to add products to our offering in order to better meet the needs of our customers. With more than 3,500 corporately approved suppliers and 1.45 million SKUs sold, Fastenal adds new products every day.

22) Please describe any product training, consulting or instruction that you offer, including the programs, the related costs and the benefits?

Fastenal will provide customized training programs to meet Sourcewell Members’ needs. Training sessions would generally be held at the member’s facility, with training conducted by a local Fastenal employee and/or a Fastenal certified vendor. Because of our local presence, these trainings can be offered to Members frequently throughout the year. Costs may vary depending on the size and scope of the training.

Fastenal branch representatives and other customer support personnel are kept current on product and industry trends through ongoing training, yearly reviews of industry standards, and close interaction with our suppliers. In addition to customer training, our sales and support personnel participate in career-long professional education and development to continually improve their knowledge and service. The result is a well-trained sales force that can provide technical expertise to end users within a local environment.

Fastenal's Certified Vendor Training Program

Fastenal's Certified Vendor Training program includes training from certified vendors in the following areas:

- New products
- Equipment & operation – manufacturer/certified set-up/training
- Safety and OSHA training
- Product application, features and benefits
- Cost savings, lean, and vendor managed inventory (VMI) solutions

Although designed for our employees, Fastenal’s Certified Vendor Training program will be offered to Sourcewell members as customized training workshops. Many of our product trainings are focused on safety, but the program also includes vendors outside of the safety category who provide training on various products and applications. In order to participate in the Certified Vendor Training program, the vendor must design training and present to the Fastenal School of Business (FSB) team, initiating a rigorous certification process that includes a consensus between the FSB instructors and the vendor on the following:

- Training requirements
- Hands-on and interactive delivery methods
- Markets targeted for products
- Product applications and uses

Safety Training

To support our safety product offering, we've positioned trained Safety Specialists across the United States. These personnel carry multiple certifications, including Masters in Occupational Health and Safety, QSSP Certification, and OSHA 30-Hour Training. Their job is to identify hazards, document risk factors, garner worker feedback regarding PPE, and ultimately develop a business plan to reduce workplace incidents while maximizing productivity and profits.

Working with our key safety suppliers, Fastenal's Safety Specialists provide trainings and PPE equipment assessments for the following concepts:

- Eye Protection – product selection/rationalization, fit testing
- Hearing Conservation – fit testing
- Face and Head Protection
- Respiratory Protection – qualitative fit testing
- Skin Care Needs Analysis – prevention/reduction of occupational dermatitis, reduction of sick days
- Hand Protection – job-specific assessments, product testing
- Fall Protection – application assessment, harness/lanyard inspection, competent person training
- Ladder Inspection and Certification
- Hoist and Sling Inspection and Certification
- Heat Stress Evaluation – program development
- Spill Containment and Flammable Storage
- Lock Out/Tag Out Program
- AED, BBP, First Aid Training
- ARC Flash Assessments



Energy Efficient Lighting Audits and Training

Fastenal works in conjunction with our lighting vendors to provide energy efficient lighting audits and training as a value-added service for customers. This program includes:

- Lamp/Ballast Standardization Recommendations
- Lighting Energy Audits/Analysis/Presentations
- Energy Saving Initiatives Specific to Lighting/Ballast
- Sustainability Initiatives Specific to Lighting/Ballast & Other Products
- Product Design Recommendation/Implementation of the Latest in LED Technology for Enhanced Energy and Maintenance Saving Strategies
- Lighting upgrade installation and project management

Green and Sustainability Training:

Fastenal's Certified Vendor Training includes information about green and sustainability initiatives offered by our various manufacturer partners. We also offer training on our green and sustainability product reporting and ways Sourcewell Members can work with Fastenal's Sustainability Coordinator to establish goals and manage spend to achieve their goals.

Annual Customer Show

Fastenal hosts an annual customer show to provide a venue for customers and manufacturing partners to participate in new product rollouts, cost savings training, demonstration of solutions, etc. Additionally, Sourcewell Members are

afforded an opportunity for government cooperative training provided by National Cooperative Procurement Partners (NCPP).

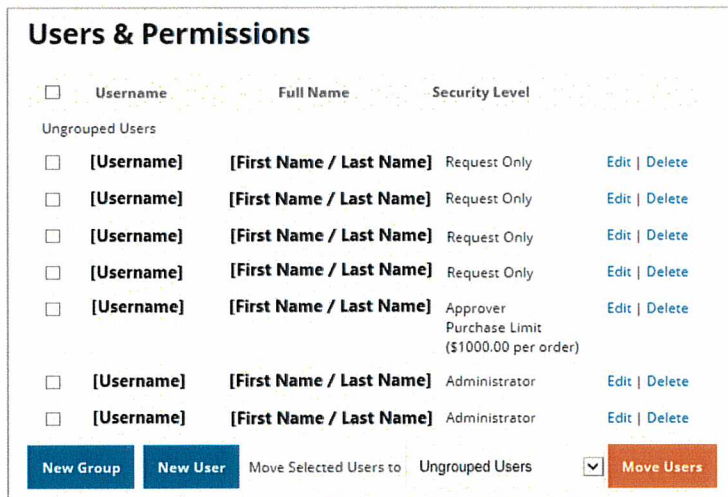
23) Do you have an on-line purchasing portal? If so, please describe your online ordering process, purchase approvals/tracking, payment options, reporting and monitoring (For example, can a member track spending by staff members, can a member put limits on purchases, can a member be invoiced, etc.)

<https://www.fastenal.com>

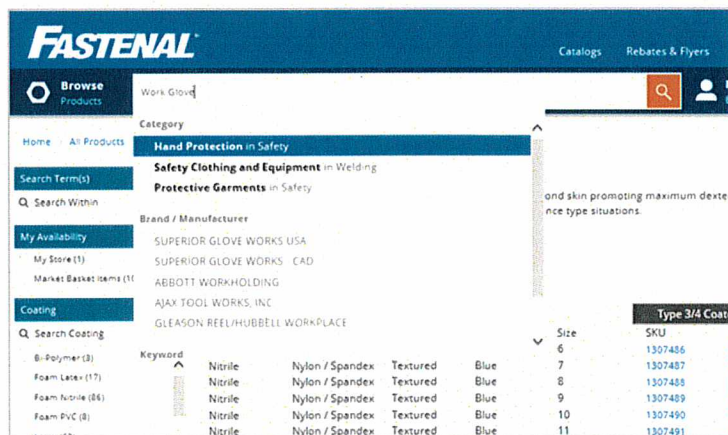
Fastenal hosts a state-of-the-art transactional website to process online orders. All orders are processed through your local branch and sales representative providing quick confirmation and seamless fulfillment on Sourcewell items. Authorized Purchasers can order catalog items online through multiple time-saving functions.

Superior online ordering capabilities include:

- **Advanced Permissions Settings:** Spending limits can be set and managed for an unlimited number of users, approvers, or account administrators. Control spending by limiting users to set a budget over a flexible period of time and/or by limiting the size of individual orders. Any user can be set up to be an order requestor, an order approver, or an account administrator.



- **Product Search:** Products can be searched by using product categories, descriptions, key words, manufactures, manufacturer part numbers, industry part numbers, competitor part numbers, customer-specific part numbers, green products, and more. All results can be narrowed down by using attribute refinements.



- **Custom Order Templates:** Order templates are easy to use and easy to create. Simply add items to your cart and save the cart for future use. Give an identity to the Custom Template by choosing a name and applying a

description to the Template. Order Templates are user specific or can be shared among users under one Fastenal.com account.



Order Template Detail

* Template Name: Air filters & belts

Template Description: Quarterly filter change

Allow Others to Use: (with the same account)
 Allow Others to Edit: (with the same account)

[Update Template](#) [Show/Hide Line Details](#) [Add Selected to Cart](#)

<input checked="" type="checkbox"/>	Qty	Image	Description	Qty/Pkg	Ext Qty	Price	Total
<input checked="" type="checkbox"/>	48 Remove		20"W x 20"H x 2"D MERV 8 ProFitter® Standard Capacity Self Supporting Pleated Air Filter SKU: 0492505 Manufacturer: ProFitter®	12	576	Your Price: \$28.1244	\$1349.97
<input checked="" type="checkbox"/>	24 Remove		25"W x 20"H x 2"D MERV 8 ProFitter® Standard Capacity Self Supporting Pleated Air Filter SKU: 0492504 Manufacturer: ProFitter®	12	288	Your Price: \$32.5836	\$782.01

- Electronic Quotes (eQuotes): eQuotes are electronic quotes sent to a user from their Fastenal Sales Representative. This is a method of converting customer product requests, vendor managed inventory requests, or vending machine transactions into customer orders without having to enter or re-type data. A notification is sent via email to the user and the eQuote is sent to the user's Fastenal.com account. Approve the eQuote and your local servicing branch will fulfill.

eQuotes

Find Quote Number:

Store Location:

Pending Rejected Approved

eQuotes represent suggested orders from your local Fastenal store(s). Please locate your Fastenal store's city and state, or if provided a quote number applicable to your location.

1 2 3 » Last

Reject Quote	Quote Number	Quote Date	Account Number	PO	Release/Job	Total	Status	Quote Actions
<input type="button" value="Reject"/>	60323	2017-11-28	[Customer Acct Number]		Keep Fill	(USD) \$380.04	Pending	<input type="button" value="Add to Cart"/>
<input type="button" value="Reject"/>	60321	2017-11-28	[Customer Acct Number]		Lighting & Electrical	(USD) \$824.23	Pending	<input type="button" value="Add to Cart"/>

- Fast Order Pad: Quickly add items to shopping cart by entering part number and quantity.

Fast Order Pad

Skus

Quantity

Price

Quantity Per Package

Description

- File Upload: Import an excel spreadsheet list of part numbers and quantities into the shopping cart.

File Upload - Copy / Paste

Create Order using File Upload ?

File

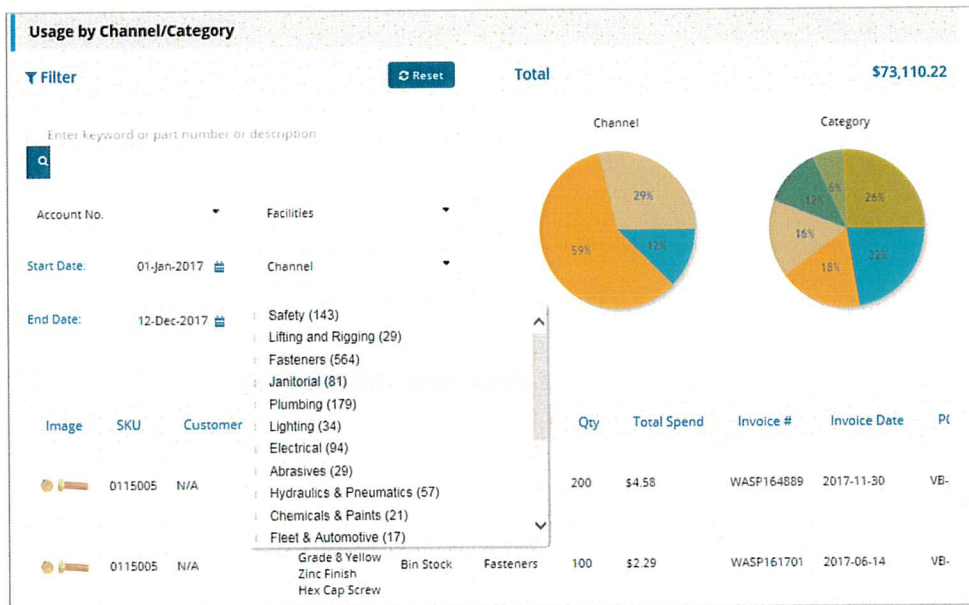
No file chosen

[Download a blank template](#)

- Order Status: Sourcewell Members can see the status of their orders at any time during the order process. The local branch can provide tracking information on branch-delivered parts and 3rd party tracking numbers are made available in status updates where applicable.

Completed (X)						
Qty	Carrier	Tracking No.	Invoice #	EDA	Status	Date
10					Received At Business Unit	2017-11-20
10	FTRK		WASP164958		Picked	2017-12-05
10			WASP164958		Shipped	2017-12-05
10			WASP164958		Delivered	2017-12-05

- Order History: Ordering entities can view their history of orders placed online with Fastenal.com. Order history can be reordered and edited for future use and commonly ordered items can be saved into order templates for ease of re-ordering.
- FAST 360°: The FAST 360° application on fastenal.com has been engineered to provide insight into your organization's relationship with Fastenal. This ability is exclusive to Fastenal and provides access to information critically important in managing your supply chain. Search, compare and manage your supply chain with three easy-to-use modules that are directly incorporated within Fastenal's eCommerce platform.
 - My Business allows you to click into each of your facilities locations and all of the way down to the individual vending machine or bin stock which is managed by Fastenal and then pull up the device's respective planogram to get additional information on a specific SKU. Other companies will tell you what they have in stock. With FAST 360°, instantly see what YOU stock in your own facility.
 - My Inventory allows you to search your own inventory for each of your associated account numbers. You can also use the search function to find items based on keyword, description or part number, and even search by your own part number when they're included in our system.
 - My Spend is a detailed snapshot of your purchasing habits which provides awareness of planned and unplanned spend behaviors. Using invoice data, FAST 360° illustrates how current spend is being allocated. Monitor purchase activity by category and see which channel that spend is flowing through. Fastenal.com is not just a portal for placing orders, but a tool for managing the supply chain needs.



- Product Restriction: Products or categories may be restricted from purchase. Restricted items will be displayed as restricted and the user is not allowed to purchase the items.

EXPRESS Fastenal Part No. (SKU) 0600437 Each **Your Price:** In My Store

24" Clean Choice® Fine Polypropylene Wood Block Push Broom

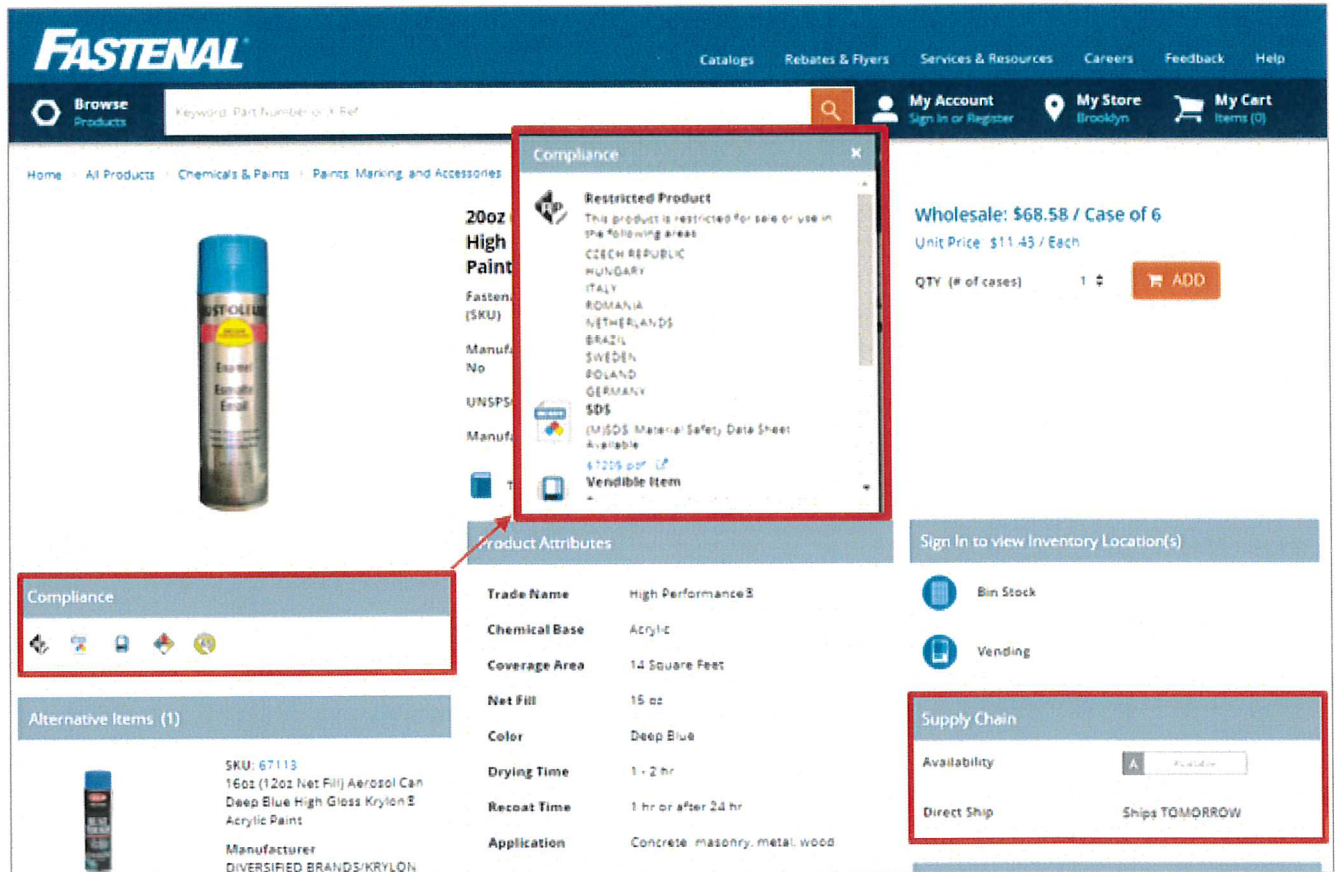
Clean Choice®

Compare **Restricted Item**

Shopping Cart

! These SKUs are not in your custom catalog. Contact your local Fastenal store for sourcing and availability. These SKUs must be removed before you can check out.

- Technical Information: All products contain technical information in the form of product attributes, product descriptions, and detailed notes fields. This information can guide the user by the type of product or the specific application of the product. Many products contain CAD Drawings and “Product Standards” informational PDF sheets which contain technical data such as chemical, mechanical, and performance information. Where applicable, links to (M)SDS sheets are made available in the product detail page of the corresponding part. Additionally, the “Supply Chain” section shows availability at the local Fastenal branch. All products visible on fastenal.com can be sourced in various manners.



24) Please rank the top 3 market segments where your company provides products & services:

- a) Facilities MRO (Maintenance Repair & Operations)
- b) Industrial Supplies
- c) Tools & Equipment/Accessories
- d) Electrical Power Transmission & Supplies
- e) Mechanical Power Transmission
- f) Pneumatics/ Fluid Power
- g) Electrical and Lighting Products & Services
- h) Plumbing Supplies & Waterworks
- i) Construction & Building Supplies

Fastenal's top 3 market segments are Facilities MRO (Maintenance Repair & Operations), Industrial Supplies, and Tools & Equipment/Accessories.

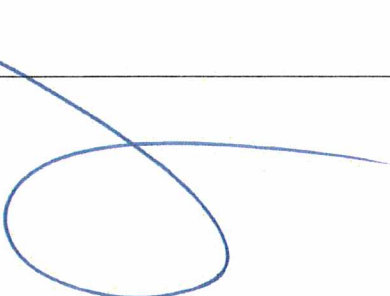
25) Describe your market share, depth, and breadth of products and services offered within each of the following categories you currently provide to your government, education & non-profit customers:

- a) Facilities MRO (Maintenance Repair & Operations)
- b) Industrial Supplies
- c) Tools & Equipment/Accessories
- d) Electrical Power Transmission & Supplies
- e) Mechanical Power Transmission
- f) Pneumatics/ Fluid Power
- g) Electrical and Lighting Products & Services
- h) Plumbing Supplies & Waterworks
- i) Construction & Building Supplies

In 2017 Fastenal supplied products spanning nearly 1.45 million unique stock-keeping units (SKUs). This includes 170,000+ “standard” part numbers that are well supported throughout our distribution system, along with a vast range of semi-standard and customer-specific items. We currently have more than 3,500 corporately approved vendors (more than 14,000 total vendors company-wide) with whom we are continually working to expand our product offering in order to better meet the needs of our customers.

Signature: _____

Date: 12/10/2018

A handwritten signature in blue ink, consisting of a large, stylized loop that starts from the left, goes up and over, then loops back down and to the left, ending with a horizontal stroke.