



Pricing Offer - Grainger Facility MRO 091422-WWG

Grainger North America's offer encompasses the entire US and Canada portfolios of maintenance, repair, and operating (MRO) supplies and services with a pricing model that is a comprehensive, robust, and competitive Sourcewell offer. The contract provides Members numerous cost savings opportunities:

- Category Discounts
- Facility MRO Supplies & Equipment Hot List
- Member Market Basket
- General Catalog Discounts
- Large Order and Volume Discounts
- Customer Specific Pricing (CSP)
- Access to all Grainger-Sourcewell Contract Awards and the Pricing Benefits of each

CATEGORY DISCOUNTS: Our North American offer encompasses significant discounting across multiple MRO categories. These category discounts are applied to Grainger North America's Contract Reference Price (CRP). CRP is market-based, stable and only subject to change three times per year. When evaluating pricing, it is important to compare "final" product prices, as a larger discount percentage offered by a competitor who has not adopted market- based pricing may not yield a lower final product price.

Differences between the U.S. and Canadian supplier base vary across all product categories so not all Grainger US products, catalog or sourced, are available in Canada.

Grainger continues its efforts to enhance its online search and purchasing experience by incorporating new technology and functionality to its online offering. Accordingly, and at Grainger's sole discretion, product categorization may be modified from time to time to promote clarity and product alignment. Additionally, there are products that, because of their volatile nature in context of supply, including pricing, demand, and availability, are not eligible for any, including general, category discount.

Category	Discount	Category	Discount
Abrasives	7%	Motors	19%
Adhesives, Sealants, &Tape	10%	Outdoor Equipment	12%
Air Filters	40%	Paint, Equipment, & Supplies	10%
Cleaning	22%	Plumbing	20%
Electrical Supplies	23%	Pneumatics	11%
Electronics, Appliances, Batteries	19%	Pumps	7%
Fasteners	32%	Power Tools	11%
Hand Tools	14%	Power Transmission	19%
HVAC Supplies	17%	Safety	19%
Lab Supplies	15%	Security	15%
Lighting	22%	Test Instruments	7%
Lubrication	10%	Welding, Machining, Cutting	10%
Mat. Handling, Storage, Packaging	15%	All other Categories	5%

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 **the specified** MRO categories.

FACILITY MRO SUPPLIES & 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 analyzed usage and procurement data of **Facility MRO Supplies & Equipment-**related products from its largest states, provinces, local government, education, and non-profit customers across North America and combined it with all Sourcewell Members' prior 48 month purchasing analytics. Data points such as the number of times an item was purchased, when and how often, how many individual agencies purchased the item, including those items added into an inventory management solution, were scrutinized to prepare the Hot List. The





Hot List encompasses roughly 850 items specific to Sourcewell state, province, local, educational, and non-profit agency customers.

Grainger North America makes the Facility MRO Supplies & Equipment Hot List available to all US and Canada Sourcewell Members who complete the **Grainger** affiliation process to access the Sourcewell Facility MRO Supplies & Equipment #091422 contract. To keep the **Facility MRO Supplies & Equipment** Hot List meaningful throughout the life of this contract, Grainger North America will evaluate the product selection and update it each year to ensure relevant product mix. The net contract pricing is automatically available to you when you are logged into Grainger.com.

MEMBER MARKET BASKET: In addition to the Grainger **Facility MRO Supplies & Equipment** Hot List, we offer the ability for each affiliated Member to create a custom Market Basket for a mutually-agreed upon number of items.

GENERAL CATALOG DISCOUNT: All items in Grainger's General Catalog are included within this Sourcewell offering. Grainger recognizes the operational importance to provide Members access to products beyond those covered by Defined Category Discounts, Hot List, Member Market Basket and products aligned to a specific category. Grainger North America provides a 5% discount off of CRP on these products except for items identified as volatile which are not eligible for a discount.

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.

Grainger North America reserves the right to adjust pricing to reflect market conditions, as provided in Section 4 (Sourcewell's Vendor Price & Product Change Request Form, referenced in RFP #091422). These adjustments may include unforeseen significant increases in supplier's costs resulting from changes in laws or regulations, impositions of tariffs, currency fluctuations, increases in commodity prices, or other changes in conditions not reasonably foreseeable to Grainger North America.

ACCESS TO ADDITIONAL GRAINGER-SOURCEWELL CONTRACT AWARD BENEFITS: Upon affiliating with the Sourcewell Facility MRO Supplies & Services Agreement, # 091422, a Sourcewell Member may also affiliate with any other Grainger-Sourcewell Agreement and access the benefits under that agreement, so long as each agreement remains valid. Upon expiration or termination of any other agreement, Grainger will extend the benefits provided in any successor agreement associated with the Member so long as that agreement remains valid.

A Member may contact Grainger at sourcewell@grainger.com or the local Grainger Account Manager, to learn how to adopt additional Grainger-Sourcewell awarded contracts and access value-added service and pricing benefits through your Grainger account.

For full details on the pricing elements of Sourcewell Facility MRO #091422, please visit: <u>Grainger: Contract 091422-WWG | Sourcewell-mn.gov)</u>