Grainger Small Business/DVBE Partners in the State of California under Contract # 7-11-51-02

Aviate Enterprises, Inc
Certified SB/DVBE #1792472
McClelan, CA 95652
PHONE: (916)993-4000
FAX (916)993-4010
Email: sales@aviateinc.com
www.aviateinc.com

Galaxie Defense Marketing Services (GDMS)
Certified SB/DVBE #50257
San Diego, CA
PHONE: (619) 299-9950
FAX: (619) 299-9955
Email: castate@galaxiemgmt.com
www.galaxiemgmt.com

Cal-Best Supply
Certified SB(Micro) #35423
Bakersfield, CA
PHONE: (661) 588-7417
FAX: (661) 589-9947
Email to: cal-best1@sbcglobal.net

Gordon Industrial Supply
Certified SB / DVBE #29911
Fresno, CA
PHONE: (559) 264-5931
FAX: (559) 264-1539
Email: sales@gordonindustrial.com
www.gordonindustrial.com

Collier Hardware
Certified SB #40517
Chico, CA
PHONE: (530) 342-0195
FAX: (530) 342-1032
Email to: collierhardware@sbcglobal.net
www.collierhardware.com

P.S. Supply Inc.
Certified SB(Micro)/DVBE #4074
Huntington Beach, CA
PHONE: (714) 747-6054
FAX: (714) 242-7722
Email: bjp@pssupplyinc.com
www.pssupplyinc.com

Coronado Distribution Co
Certified SB / DVBE #1756719
San Diego, CA
PHONE: (619) 474-1350
FAX: (619) 474-1360
Email to: sales@coronadodc.com
http://www.coronadodc.com

The Primary Source
Certified SB #15228
Rancho Cordova, CA
PHONE: (916) 858-2099
FAX: (916) 858-2338
Email: theprimarysource@msn.com

Distec Supply Company
Certified SB(Micro) #4097
Temecula, CA
PHONE: (951) 587-2573
FAX: (951) 587-2593
Email to: orders@distecsupply.com

The Zaman Group
Certified SB(Micro) #29806
Los Angeles, CA
PHONE: (323) 596-4690
FAX: (323) 596-4695
www.thezamangroup.com

Elite Supply Source Inc.
Certified SB # 1749074
Rancho Cordova, CA
PHONE: (916) 853-0000
FAX: (916) 853-5800
Mail to: sales@elitesupplysource.com
www.elitesupplysource.com

Updated 11/1/2017
STATE OF CALIFORNIA
PARTICIPATING ADDENDUM NO. 7-11-51-02
AMENDMENT #3
Facilities, Maintenance, Lighting Products, Industrial Supplies and Tools
Nevada NASPO ValuePoint Master Agreement No. 1862
Grainger Industrial Supply

This Amendment to Participating Addendum Number 7-11-51-02 is entered into between the State of California, Department of General Services (hereafter referred to as "State" or "DGS") and Grainger Industrial Supply. (hereafter referred to as "Contractor")

The parties hereto mutually agree to amend Participating Addendum Number 7-11-51-02 as follows:

1. Contract Term:

   Participating Addendum contract term end date is extended from February 28, 2017 to June 30, 2017.

   All other terms and conditions of the Participating Addendum shall remain the same.

IN WITNESS WHEREOF, the parties have executed this Participating Addendum Amendment as of the date of execution by both parties below.

Participating State:
STATE OF CALIFORNIA

By: [Signature]
Name: Jim Butler
Title: Deputy Director
Date: Feb. 6, 2017

Contractor:
Grainger Industrial Supply

By: [Signature]
Name: [Signature]
Title: Sr. Gvt. Sales Mgr
Date: 2/2/17
STATE OF CALIFORNIA
PARTICIPATING ADDENDUM NO. 7-11-51-02
AMENDMENT #5
Facilities, Maintenance, Lighting Products, Industrial Supplies and Tools
Nevada NASPO ValuePoint Master Agreement No. 1862
Grainger Industrial Supply

This Amendment to Participating Addendum Number 7-11-51-02 is entered into between the State of California, Department of General Services (hereafter referred to as “State” or “DGS”) and Grainger Industrial Supply. (hereafter referred to as “Contractor”)

The parties hereto mutually agree to amend Participating Addendum Number 7-11-51-02 as follows:

1. Contract Term:

   Participating Addendum contract term end date is extended from June 30, 2017 to June 30, 2018.

All other terms and conditions of the Participating Addendum shall remain the same.

IN WITNESS WHEREOF, the parties have executed this Participating Addendum Amendment as of the date of execution by both parties below.

Participating State:
STATE OF CALIFORNIA

By: [Signature]
Name: Jim Butler
Title: Deputy Director
Date: 3/17/2017

Contractor:
Grainger Industrial Supply

By: [Signature]
Name: Jason Hanyam
Title: Sr. Govt. Sales Mgr.
Date: 3/17/2017
CALIFORNIA PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE (WSCA)
FACILITIES MAINTENANCE, LIGHTING PRODUCTS, INDUSTRIAL SUPPLIES AND TOOLS
W.W. GRAINGER, INC.
MASTER PRICE AGREEMENT
7-11-51-02

1. Scope:

This Participating Addendum covers the purchase of Facilities Maintenance, Lighting Products, Industrial Supplies and Tools for all State Agencies and will include all California political subdivisions/local governments. A subdivision/local government is defined as any city, county, city and county, district, or other local governmental body or corporation, including the California State Universities (CSU) and University of California (UC) systems, K-12 schools and community colleges empowered to expend public funds. Each political subdivision/local government should make its own determination whether the WSCA program is consistent with its procurement policies and regulations.

State Agencies are prohibited from using this contract in accordance with Management Memo 05-11, except for those categories not offered under the Statewide Mandatory Contract (formerly Strategically Sourced Contract) for Maintenance and Operating Supplies (MRO).

THE SUPPLEMENTAL TERMS AND CONDITIONS FOR CONTRACTS USING ARRA FUNDS APPLY TO THE ORDERING AGENCY. IF OR WHEN W. W. GRAINGER, INC., AS A VENDOR, IS NOTIFIED BY ORDERING AGENCY THAT A SPECIFIC PURCHASE OR PURCHASES ARE BEING MADE WITH ARRA FUNDS, W. W. GRAINGER, INC. AGREES TO COMPLY WITH THE DATA ELEMENT AND REPORTING REQUIREMENTS THAT ARE LEGALLY REQUIRED OF PROVIDERS OF GOODS AND RELATED SERVICES. W. W. GRAINGER, INC., AS IT RELATES TO PURCHASES UNDER THIS CONTRACT IS NOT A SUBCONTRACTOR OR SUBGRANTEE, BUT SIMPLY A PROVIDER OF GOODS AND RELATED SERVICES

2. TECHNICAL SPECIFICATIONS

Technical specifications, which apply to both State and local government, include recently implemented State Regulations. In addition, the specifications include product requirements when purchased by state agencies. Suppliers shall comply with all laws, regulations and technical specifications provided herein.

a. Only thermostat products where the manufacturer is in compliance with The Mercury Thermostat Collection Act of 2008 shall be offered for sale in the State of California. Mercury-added thermostats and thermostats offered by a non-compliant manufacturer are prohibited for sale within the State of California. [California Health and Safety Code Sections 25214.8.10-25214.8.20 (HSC §25214.8.10- §25214.8.20)]

b. Consumer products containing volatile organic compounds (VOC) shall be compliant with the laws and regulations for reducing the emissions of consumer products. Contractor is required to report sales in accordance with this regulation. [Title 17 California Code of Regulations Sections 94507-94517. (17CCR§ 94507-94517)] See Regulations for Reducing Emissions in Consumer Products for further information. VOC containing products shall identify the percent VOC by weight in the catalog product description and where available, the Global Warming Potential (GWP) for multipurpose solvents and paint thinners.

c. Indoor air cleaning devices not in compliance with the regulation for Limiting Ozone Emissions from Indoor Air Cleaning Devices are prohibited for sale in the State of California. Prohibited products shall be identified as "Does not meet California Requirements. Cannot be shipped to California." Exempted products shall state the reason the exemption applies i.e. "Soles for industrial use. Potential health hazard: emits ozone." [17CCR§94800- §94810]. Further manufacturer and distributor information can be found at: http://www.arb.ca.gov/research/indoor/aircleaners/manufacturers.htm.

d. Aerosol Adhesives for consumer, industrial and commercial uses shall comply with the aerosol adhesive standards as specified in HSC§41712(h)(2). Only adhesives and sealants that are South Coast Air Quality Management District (SCAQMD), Rule #1168 and Bay Area Air Quality

Revised 6/2011   Page 1 of 8
Management District (BAAQMD), Rule #51 compliant shall be sold to state agencies. Aerosol Adhesives SCAQMD and BAAQMD compliant shall be identified and the VOC (weight per volume/grams per liter) provided within the catalog product description.

e. The State of California regulates exhaust emissions of off-road powered equipment. Engines and equipment offered for sale in the State of California shall be California Air Resource Board (CARB) certified and reference the CARB Executive Order (EO) number. (13CCR Chapter 9 Article 1). Examples include: lawn mowers, chainsaws, line trimmers, backpack blowers, edger, brush cutter, generators, pumps, compressors, tractors, forklifts, leaf blowers, vacuums, snow blowers, floor polishing equipment, concrete polishers, pressure washer, tiller, etc. See California Air Resources Board Off-Road Certification Database for a list of compliant products. Off-road power equipment must be identified as "CARB Certified" and include within the catalog product description its EO number.

f. High-Greenhouse Potential (High-GWP) refrigerants for Stationary Sources are restricted for sale in the State of California. Compliance with these regulations requires the supplier to track and sell High-GWP refrigerants only to authorized purchasers. (17CCR Subarticle 5.1, §95380-§95393.) See California Air Resources Board Refrigerant Management Program – for Regulated Refrigerants. Refrigerants must include their GWP100yr value within the catalog product description.

g. Appliance products not in compliance with California 2010 Appliance Efficiency Standards are prohibited for sale within the State of California (20CCR §§1601-§1608.). Only large appliances that are EnergyStar® qualified shall be sold to state agencies. Large appliances must meet most recent EnergyStar® standards. Examples of appliances covered under the California 2010 Appliance Efficiency Standards Include: Central Air Conditioners (CAC), Refrigeration Products, Cooking and Washing Products, Transformer Products, Electronics, Water Heater Products, Fans and Dehumidifiers, Heat Pumps, Heating Products, Lighting Products, Motor Products, Non-Central AC and HP Products and Plumbing Products. See The California Energy Commission Appliance Efficiency Database for list of compliant products.

h. Plastic Trash Bags (thickness of 0.7 mil or greater) when sold in California shall contain at least 10 percent by weight PCRC material. Manufacturers and suppliers of plastic trash bags must be compliant with California Plastic Trash Bag laws (PRC§ 42290 et seq and 14CCR Article 5.) See CalRecycle Recycle Content Plastic Trash Bag Program for a list of compliant manufacturers and suppliers. All plastic trash bags offered for sale must identify in the catalog product description the thickness (mil) and manufacturer.

i. Packages, packaging components, and packaged retail-ready products offered to the State of California shall be in full compliance with all requirements of California Toxics in Packaging Prevention Act (TPPA), HSC §25214.11- §25214.26.

j. At the request of the purchaser, contractor shall provide the minimum percentage by weight, if not the exact percentage, of recycle content in each of the products and associated shipping/packaging materials sold. The recycle content shall include both post consumer recycle content (PCRC) and Pre-Consumer (Post-Industrial) recycle content percentages. All products sold to State Agencies shall include the recycle content, both RC and PCRC for each item purchased. Products compliant with State Agency Buy Recycle Campaign (SABRC) PCRC minimums shall be identified in the catalog product description as "SABRC Compliant". SABRC eligibility is dependent on products meeting the minimum PCRC per product category as defined in PCC§12209. See CalRecycle SABRC Program requirements for suppliers.
k. Environmental benefit claims concerning products or services must be consistent with the Federal Trade Commission’s Guidelines for the Use of Environmental Marketing Terms. Product environmental claims are to include the industry standard the product meets and certifier. A copy of the certification must be supplied upon request if it is not publicly available for verification. Products claiming environmental benefits must include the industry standard it meets within the catalog product description.

l. All custodial equipment sold to state agencies shall operate at a sound level less than 70dBA. Vacuum cleaners and deep cleaning extraction equipment shall be Carpet & Rug Institute (CRI) certified. Custodial equipment not meeting these requirements is prohibited for sale to state agencies.

m. Janitorial Paper Products (bathroom tissue, paper towels, paper napkins, facial tissue and general-purpose industrial wipes) offered on the State of California MRO mandatory contracts are prohibited for sale under the WSCA contract. All other paper products sold to state agencies shall meet the minimum PCRC and/or minimum RC percentages by weight listed in the Janitorial Paper Product Recycle Content Table. Janitorial paper products must identify and include in the catalog product description the percent PCRC and percent RC.

### Janitorial Paper Product Recycle Content Table

<table>
<thead>
<tr>
<th>Commodity</th>
<th>PCRC % Fiber (min)</th>
<th>RC % Fiber (min)</th>
<th>Total RC % (min) by weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bathroom Tissue</td>
<td>20</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Paper Towels</td>
<td>40</td>
<td>40</td>
<td>80</td>
</tr>
<tr>
<td>Paper Napkins</td>
<td>30</td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td>Facial Tissue</td>
<td>10</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>General-purpose Industrial Wipes</td>
<td>40</td>
<td>40</td>
<td>80</td>
</tr>
</tbody>
</table>

n. Chemical cleaners (soaps, cleaners, disinfectants, fresheners, sanitizers and polishes) offered on the State of California MRO contracts are prohibited for sale. All chemical cleaners sold to state agencies shall not contain any terpenes and glycol ethers, phosphorus content not to exceed 0.5% total phosphorus by weight and when labeled as "Concentrated" the contraction shall not be less than 99 percent (%) or the pH not less than 2 or greater than 11. Toxicity levels must be: for LD50 shall be greater than 5,000 mg/kg or the LC50 greater than or equal to 20mg/L at one hour. Volatile Organic Content (VOC) limits may not exceed the maximum VOC limits listed in the VOC table. "VOC Content" means the total weight of VOC in a product expressed as a percentage of the product weight (exclusive of the container or packaging). Chemical cleaners must identify and include in the catalog product description the percent VOC, percent total phosphorus, terpene and glycol ether free, percent concentration, pH and LD50 (mg/kg) or LC50 (mg/L).
### VOC TABLE

<table>
<thead>
<tr>
<th>Cleaner Type</th>
<th>VOC % by weight (maximum permissible)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dual Purpose Air Fresheners/Disinfectant</td>
<td>Aerosols: 60</td>
</tr>
<tr>
<td>Bathroom and Tile Cleaners:</td>
<td>Non-aerosol: 1</td>
</tr>
<tr>
<td>Carpet and Upholstery Cleaner: (dilutables)</td>
<td>0.1</td>
</tr>
<tr>
<td>Disinfectant</td>
<td>Aerosols: 70</td>
</tr>
<tr>
<td></td>
<td>Non-aerosol: 1</td>
</tr>
<tr>
<td>Floor Polishes or Waxes:</td>
<td>Resilient Flooring Materials: 1</td>
</tr>
<tr>
<td></td>
<td>Non-resilient Flooring Materials: 1</td>
</tr>
<tr>
<td>General Purpose Cleaners</td>
<td>Aerosols: 8</td>
</tr>
<tr>
<td></td>
<td>Non-aerosol: 4</td>
</tr>
<tr>
<td>General Purpose Degreasers</td>
<td>10</td>
</tr>
<tr>
<td>Glass Cleaners</td>
<td>Aerosols: 12</td>
</tr>
<tr>
<td></td>
<td>Non-aerosol: 4</td>
</tr>
<tr>
<td>Heavy-duty Hand Cleaners or Soap</td>
<td>8</td>
</tr>
<tr>
<td>Laundry Prewash</td>
<td>Aerosols/solids: 22</td>
</tr>
<tr>
<td></td>
<td>all other forms: 5</td>
</tr>
<tr>
<td>Metal Polish/Cleanser</td>
<td>30</td>
</tr>
<tr>
<td>Sanitizer</td>
<td>Aerosols: 70</td>
</tr>
<tr>
<td></td>
<td>Non-aerosol: 1</td>
</tr>
<tr>
<td>Wood Cleaner:</td>
<td>Aerosols: 17</td>
</tr>
<tr>
<td></td>
<td>Non-aerosol: 4</td>
</tr>
</tbody>
</table>

### 3. Terms and Conditions:

For changes under this Participating Addendum by any Eligible Entity listed in Section 1, Scope, the following Changes apply:

a. The California General Provisions (CAGP) (GSPD-401) Non IT Commodities based on June 8, 2010 standard for Western States Contracting Alliance (WSCA) Facilities Maintenance, Lighting Products, Industrial Supplies and Tools as attached become a part of this Participating Addendum.

b. State Departments' use of this master price agreement is prohibited when there is a mandatory statewide contract for similar products. The current mandatory statewide contracts with products that conflict with this WSCA agreement are listed in the table below. The two exceptions to this prohibition are when 1) the quantity being ordered is less than the minimum order quantity required in the mandatory statewide contract individual user instructions, or 2) when a department obtains a DGS/PD exemption approval. The State departments are responsible for verifying product availability.
CALIFORNIA PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE (WSCA)
FACILITIES MAINTENANCE, LIGHTING PRODUCTS, INDUSTRIAL SUPPLIES AND TOOLS
W.W. GRAINGER, INC.
MASTER PRICE AGREEMENT
7-11-51-02

<table>
<thead>
<tr>
<th>Mandatory Statewide Contract</th>
<th>Product Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-10-66-31</td>
<td>California Lamp Contract</td>
</tr>
<tr>
<td>1S-06-51-02</td>
<td>Maintenance/Repair/Operations</td>
</tr>
<tr>
<td>1S-06-79-55</td>
<td>Industrial Supplies, Tools &amp; HVAC</td>
</tr>
<tr>
<td>1S-06-84-01</td>
<td>Maintenance/Repair/Operations</td>
</tr>
<tr>
<td>1S-06-85-34</td>
<td>Janitorial &amp; Electrical Supplies</td>
</tr>
<tr>
<td></td>
<td>Safety Supplies</td>
</tr>
<tr>
<td></td>
<td>Toilet Tissue</td>
</tr>
</tbody>
</table>

The State Contracts Index Listing provides a centralized contract list of most leveraged procurement agreements (Statewides, Masters, WSCA) and can be accessed at: http://www.documents.dgs.ca.gov/pd/contracts/contractindexlisting.htm
Department users and WSCA contractors shall not encourage either parties to split orders to circumvent the use of a mandatory statewide contract.

c. The California General Provisions (CAGP) shall prevail if there is a conflict between the terms and conditions of the contractor's WSCA State of Nevada, Master Price Agreement, packaging, invoices, catalogs, brochures and technical data sheets.

d. The State of Nevada, Master Price Agreement number 1862 is changed for California to Contract Number 7-11-51-02.

e. Delivery:
FOB Destination and included in the purchase order, or as otherwise stipulated in the contract.

f. DGS Termination of Contract:
The State may terminate this contract at any time upon 30 days prior written notice to the contractor. Upon termination or other expiration of this contract, each party will assist the other party in orderly termination of the contract and the transfer of all assets, tangible and intangible, as may facilitate the orderly, nondisrupted business continuation of each party. This provision shall not relieve the contractor of the obligation to perform under any purchase order or other similar ordering document executed prior to the termination becoming effective.

g. Monthly Usage Reports & Administrative Fee:
Contractor must submit a monthly usage report to the California Contract Administrator for all California purchases in the format outlined in the Monthly Usage Report Template. The Monthly Usage Report Template is not to be changed or modified in any way without the prior consent of the California Contract Administrator. Report must be submitted in attached DGS report template.

The Contractor shall submit a check, in addition to the report, payable to the State of California, Contract Administrator for the calculated administrative fee for an amount equal to one percent (0.01) of the sales for the monthly period. This fee shall be included as an adjustment to contractors WSCA pricing and not invoiced or charged to the purchasing entity.

Payment of the administrative fee by Contractor is due regardless of status of payments on orders from users to Contractor. Although reports are due on a monthly basis, administrative fees shall be submitted on a quarterly basis.

A monthly usage report is due even when there is no activity. Any report that does not follow the required format or that excludes information will be deemed incomplete. Failure to submit reports and fees on a timely basis shall constitute grounds for suspension of this agreement. Report(s) and delivery will be in accordance with the following monthly schedule.
CALIFORNIA PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE (WSCA)
FACILITIES MAINTENANCE, LIGHTING PRODUCTS, INDUSTRIAL SUPPLIES AND TOOLS
W.W. GRAINGER, INC.
MASTER PRICE AGREEMENT
7-11-51-02

Jan--Due Feb 15  May--Due Jun 15  Sept--Due Oct 15
Feb--Due Mar 15  Jun--Due Jul 15  Oct--Due Nov 15
Mar--Due Apr 15  Jul--Due Aug 15  Nov--Due Dec 15
Apr--Due May 15  Aug--Due Sept 15  Dec--Due Jan 15

Quarterly Schedule for administrative fee check payment

<table>
<thead>
<tr>
<th>Jan - Mar</th>
<th>Apr - Jun</th>
<th>July - Sept</th>
<th>Oct - Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check Due April 30</td>
<td>Check Due July 31</td>
<td>Check Due Oct 31</td>
<td>Check Due Jan 31</td>
</tr>
</tbody>
</table>

The administrative fee check and report should be submitted to the following address:

Cynthia Okoroike
Department of General Services
Procurement Division
Multiple Award Program - WSCA
707 Third Street, 2nd Floor, MS # 202, West Sacramento, CA 95605-2811

h. The primary state government contact for this Participating Addendum is as follows:

Department of General Services, Procurement Division
Multiple Award Program - WSCA
707 Third Street, 2nd Floor, MS # 202
West Sacramento, CA 95605

Contact: Cynthia Okoroike
E-mail: cynthia.okoroike@dgs.ca.gov
Phone: (916) 375-4389
Fax: (916) 375-4663

i. The primary W.W. Grainger, Inc. CUSTOMER contact for this Participating Addendum is as follows:

W. W. Grainger, Inc.
Address: 3691 Industrial Blvd
          West Sacramento, CA 95691
Contact: Doug D' Alessio
E-Mail: castatesteam@grainger.com
Phone: 800/700-6955
Fax: N/A
j. Price Agreement Number:

The Master Price Agreement number for the Participating State is 7-11-51-02. The Master Price Agreement Number MUST be shown on all Purchase Orders issued against this Master Price Agreement.

This Addendum and the Price Agreement together with its exhibits and/or amendments, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Addendum and the Price Agreement, together with its exhibits and/or amendments, shall not be added to or incorporated into this Addendum or the Price Agreement and its exhibits and/or amendments, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Addendum and the Price Agreement and its exhibits and/or amendments shall prevail and govern in the case of any such inconsistent or additional terms.

k. Effective Dates:

This Participating Addendum shall be effective upon approval by the Department of General Services and will continue until the End Date of the Master Price Agreement. Lead State amendments to extend the term date are automatically incorporated into this Participating Addendum unless terminated early in accordance with the terms and conditions of the Master Price Agreement or this Participating Addendum.

l. Servicing Subcontractors:

The Contractor, at this time, will be using subcontractors to provide products under this contract.

**SMALL BUSINESS/DVBE-REQUIREMENT**

Each Contractor must provide DGS with their subcontracting plan committing to 25% Small Business and 3% DVBE subcontracting under this contract.

**SMALL BUSINESS/DVBE - TRACKING**

State agencies are able to claim subcontracting dollars towards their small business or DVBE goals whenever the Contractor subcontracts a commercially useful function to a certified small business or DVBE. The Contractor will provide the ordering agency with the name of the small business or DVBE used and the dollar amount the ordering agency can apply towards its small business or DVBE goal. State departments are required to identify sub-contractors on individual purchase documents executed against this master price agreement.
SMALL BUSINESS/DVBE - SUBCONTRACTING

1. The amount an ordering agency can claim towards achieving its small business or DVBE goals is the dollar amount of the subcontract award made by the Contractor to each small business or DVBE.

2. The Contractor will provide an ordering agency with the following information at the time the order is quoted:
   a. The Contractor will state that, as the prime Contractor, it shall be responsible for the overall execution of the fulfillment of the order.
   b. The Contractor will indicate to the ordering agency how the order meets the small business or DVBE goal, as follows:
      - List the name of each company that is certified by the Office of Small Business and DVBE Services to which that it intends to subcontract a commercially useful function; and
      - Include the small business or DVBE certification number of each company listed, and attach a copy of each certification; and
      - Indicate the dollar amount of each subcontract with a small business or DVBE that may be claimed by the ordering agency towards the small business or DVBE goal; and
      - Indicate what commercially useful function the small business or DVBE subcontractor will be providing towards fulfillment of the order.

By Signing below W.W. Grainger, Inc. agrees to offer the same Facility Maintenance, Lighting Products, Industrial Supplies and Tools as on the State of Nevada contract #1862 at prices equal to or lower than the prices on that contract.

IN WITNESS WHEREOF, the parties have executed this Participating Addendum as of the date of execution by both parties below.

State of California:  
By: ____________________________  
Name: Jim Butler  
Title: Deputy Director  
Date: 7/29/2011  

W.W. Grainger, Inc.:  
By: ____________________________  
Name: Doug D’Alessio  
Title: Sr Gov Sales Manager  
Date: 6/14/2011
GENERAL PROVISIONS

1. DEFINITIONS: The following terms shall be given the meaning shown, unless context requires otherwise or a unique meaning is otherwise specified.
   a) "Business entity" means any individual, business, partnership, joint venture, corporation, S-corporation, limited liability corporation, limited liability partnership, sole proprietorship, joint stock company, consortium, or other private legal entity recognized by statute.
   b) "Buyer" means the State's authorized contracting official.
   c) "Contract" means this Contract or agreement (including any purchase order), by whatever name known or in whatever format used.
   d) "Contractor" means the Business Entity with whom the State enters into this Contract. Contractor shall be synonymous with "supplier", "vendor" or other similar term.
   e) "Goods" (commodities) means all types of tangible personal property, including but not limited to materials, supplies, and equipment (including computer equipment and telecommunications).
   f) "State" means the government of the State of California, its employees and authorized representatives, including without limitation any department, agency, or other unit of the government of the State of California.

2. CONTRACT FORMATION:
   a) If this Contract results from a sealed bid offered in response to a solicitation conducted pursuant to Chapters 2 (commencing with Section 10290), 3 (commencing with Section 12100), and 3.6 (commencing with Section 12125) of Part 2 of Division 2 of the Public Contract Code (PCC), then Contractor's bid is a firm offer to the State which is accepted by the issuance of this Contract and no further action is required by either party.
   b) If this Contract results from a solicitation other than described in paragraph a), above, Contractor's quotation or proposal is deemed a firm offer and this Contract document is the State's acceptance of that offer.
   c) If this Contract resulted from a joint bid, it shall be deemed one indivisible Contract. Each such joint Contractor will be jointly and severally liable for the performance of the entire Contract. The State assumes no responsibility or obligation for the division of orders or purchases among joint Contractors.

3. COMPLETE INTEGRATION: This Contract, including any documents incorporated herein by express reference, is intended to be a complete integration and there are no prior or contemporaneous different or additional agreements pertaining to the subject matter of the Contract.

4. SEVERABILITY: The Contractor and the State agree that if any provision of this Contract is found to be illegal or unenforceable, such term or provision shall be deemed stricken and the remainder of the Contract shall remain in full force and effect. Either party having knowledge of such term or provision shall promptly inform the other of the presumed non-applicability of such provision.

5. INDEPENDENT CONTRACTOR: Contractor and the agents and employees of Contractor, in the performance of this Contract, shall act in an independent capacity and not as officers or employees or agents of the State.

6. APPLICABLE LAW: This Contract shall be governed by and shall be interpreted in accordance with the laws of the State of California; venue of any action brought with regard to this Contract shall be in Sacramento County, Sacramento, California. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Contract.

7. COMPLIANCE WITH STATUTES AND REGULATIONS:
   a) Contractor warrants and certifies that in the performance of this Contract, it will comply with all applicable statutes, rules, regulations and orders of the United States and the State of California and agrees to indemnify the State against any loss, cost, damage or liability by reason of Contractor's violation of this provision.
   b) If this Contract is in excess of $554,000, it is subject to the requirements of the World Trade Organization (WTO) Government Procurement Agreement (GPA).

8. CONTRACTOR'S POWER AND AUTHORITY: The Contractor warrants that it has full power and authority to grant the rights herein granted and will hold the State harmless from and against any loss, cost, liability, and expense (including reasonable attorney fees) arising out of any breach of this warranty. Further, Contractor avers that it will not enter into any arrangement with any third party which might abridge any rights of the State under this Contract.
   a) The State will notify Contractor of any such claim in writing and tender the defense thereof within a reasonable time; and
   b) Contractor will have sole control of the defense of any action on such claim and all negotiations for its settlement or compromise; provided that (i) when substantial principles of government or public law are involved, when litigation might create precedent affecting future State operations or liability, or when involvement of the State is otherwise mandated by law, the State may participate in such action at its own expense with respect to attorneys' fees and costs (but not liability); (ii) the State will have the right to approve or disapprove any settlement or compromise, which approval will not unreasonably be withheld or delayed; and (iii) the State will reasonably cooperate in the defense and in any related settlement negotiations.

9. ASSIGNMENT: This Contract shall not be assignable by the Contractor in whole or in part without the written consent of the State. For the purpose of this paragraph, State will not unreasonably prohibit Contractor from freely assigning its right to payment, provided that Contractor remains responsible for its obligations hereunder.

10. WAIVER OF RIGHTS: Any action or inaction by the State or the failure of the State on any occasion to, enforce any right or provision of the Contract, shall not be construed to be a waiver by the State of its rights hereunder and shall not prevent the State from enforcing such provision or right on any future occasion. The rights and remedies of the State herein are cumulative and are in addition to any other rights or remedies that the State may have at law or in equity.

11. ORDER OF PRECEDENCE: In the event of any inconsistency between the articles, attachments, specifications or provisions which constitute this Contract, the following order of precedence shall apply:
   a) these General Provisions – Non-IT Commodities;
   b) Contract form, i.e., Purchase Order STD 65, etc., and any amendments thereto;
   c) Statement of Work, including any specifications incorporated by reference herein;
   d) special terms and conditions; and
   e) all other attachments incorporated in the Contract by reference.
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12. PACKING AND SHIPMENT:
a) All Goods are to be packed in suitable containers for protection in shipment and storage, and in accordance with applicable specifications. Each container of a multiple container shipment shall be identified to:
   i) show the number of the container and the total number of containers in the shipment; and
   ii) the number of the container in which the packing sheet has been enclosed.
b) All shipments by Contractor or its subcontractors must include packing sheets identifying: the State’s Contract number; item number; quantity and unit of measure; part number and description of the Goods shipped; and appropriate evidence of inspection, if required. Goods for different Contracts shall be listed on separate packing sheets.
c) Shipments must be made as specified in this Contract, as it may be amended, or otherwise directed in writing by the State’s Transportation Management Unit within the Department of General Services, Procurement Division.

13. TRANSPORTATION COSTS AND OTHER FEES OR EXPENSES: No charge for delivery, drayage, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or for any other purpose will be paid by the State unless expressly included and itemized in the Contract.
a) Contractor must strictly follow Contract requirements regarding Free on Board (F.O.B.), freight terms and routing instructions. The State may permit use of an alternate carrier at no additional cost to the State with advance written authorization of the Buyer.
b) If “prepay and add” is selected, supporting freight bills are required when over $50, unless an exact freight charge is approved by the Transportation Management Unit within the Department of General Services Procurement Division and a waiver is granted.
c) On “F.O.B. Shipping Point” transactions, should any shipments under the Contract be received by the State in a damaged condition and any related freight loss and damage claims filed against the carrier or carriers be wholly or partially declined by the carrier or carriers with the inference that damage was the result of the act of the shipper such as inadequate packaging or loading or some inherent defect in the equipment and/or material, Contractor, on request of the State, shall at Contractor’s own expense assist the State in establishing carrier liability by supplying evidence that the equipment and/or material was properly constructed, manufactured, packaged, and secured to withstand normal transportation conditions.

14. TIME IS OF THE ESSENCE:
Time is of the essence in this Contract.

15. DELIVERY: Contractor shall strictly adhere to the delivery and completion schedules specified in this Contract. Time, if stated as a number of days, shall mean calendar days unless otherwise specified. The quantities specified herein are the only quantities required. If Contractor delivers in excess of the quantities specified herein, the State shall not be required to make any payment for the excess Goods, and may return them to Contractor at Contractor’s expense or utilize any other rights available to the State at law or in equity.

16. SUBSTITUTIONS: Substitution of Goods may not be tendered without advance written consent of the Buyer. Contractor shall not use any specification in lieu of those contained in the Contract without written consent of the Buyer.

17. INSPECTION, ACCEPTANCE AND REJECTION:
a) Contractor and its subcontractors will provide and maintain a quality assurance system acceptable to the State covering Goods and services under this Contract and will tender to the State only those Goods that have been inspected and found to conform to this Contract’s requirements. Contractor will keep records evidencing inspections and their result, and will make these records available to the State during Contract performance and for three years after final payment. Contractor shall permit the State to review procedures, practices, processes and related documents to determine the acceptability of Contractor’s quality assurance system or other business practices related to performance of the Contract.
b) All Goods may be subject to inspection and test by the State or its authorized representatives.
c) Contractor and its subcontractors shall provide all reasonable facilities for the safety and convenience of inspectors at no additional cost to the State. Contractor shall furnish to inspectors all information and data as may be reasonably required to perform their inspection.
d) All Goods to be delivered hereunder may be subject to final inspection, test and acceptance by the State at destination, notwithstanding any payment or inspection at source.
e) The State shall give written notice of rejection of Goods delivered or services performed hereunder within a reasonable time after receipt of such Goods or performance of such services. Such notice of rejection will state the respects in which the Goods do not substantially conform to their specifications. If the State does not provide such notice of rejection within thirty (30) days, unless otherwise specified in the Statement of Work, of delivery, such Goods and services will be deemed to have been accepted. Acceptance by the State will be final and irreversible, except as it relates to latent defects, fraud, and gross mistakes amounting to fraud. Acceptance shall not be construed to waive any warranty rights that the State might have at law or by express reservation in this Contract with respect to any nonconformity.

18. SAMPLES:
a) Samples of items may be required by the State for inspection and specification testing and must be furnished free of expense to the State. The samples furnished must be identical in all respects to the products bid and/or specified in the Contract.
b) Samples, if not destroyed by tests, may, upon request made at the time the sample is furnished, be returned at Contractor’s expense.

19. WARRANTY: Unless otherwise specified, the warranties contained in this Contract begin after acceptance has occurred.
a) Contractor warrants that Goods and services furnished hereunder will conform to the requirements of this Contract (including all descriptions, specifications and drawings made a part hereof), and such Goods will be merchantable, fit for their intended purposes, free from all defects in materials and workmanship and to the extent not manufactured pursuant to detailed designs furnished by the State, free from defects in design. The State’s approval of designs or specifications furnished by Contractor shall not relieve the Contractor of its obligations under this warranty.
b) All warranties, including special warranties specified elsewhere herein, shall inure to the State, its successors, assigns, customer agencies and users of the Goods or services.

20. SAFETY AND ACCIDENT PREVENTION: In performing work under this Contract on State premises, Contractor shall conform to any specific safety requirements contained in the Contract or as required by law or regulation. Contractor shall take any additional precautions as the State may reasonably require for safety and accident prevention purposes. Any violation of such rules and requirements, unless promptly corrected, shall be grounds for termination of this Contract in accordance with the default provisions hereof.
21. INSURANCE: When performing work on property in the care, custody or control of the State, Contractor shall maintain all commercial general liability insurance, workers’ compensation insurance and any other insurance the State deems appropriate under the Contract. Contractor shall furnish an insurance certificate evidencing required insurance coverage acceptable to the State. Upon request by the Buyer, the Contractor may be required to have the State shown as an “additional insured” on selected policies.

22. TERMINATION FOR NON-APPROPRIATION OF FUNDS:
   a) If the term of this Contract extends into fiscal years subsequent to that in which it is approved, such continuation of the Contract is contingent on the appropriation of funds for such purpose by the Legislature. If funds to effect such continued payment are not appropriated, Contractor agrees to take back any affected Goods furnished under this Contract, terminate any supplies to the State under this Contract, and relieve the State of any further obligation therefor.
   b) STATE AGREES THAT IF PARAGRAPH (a) ABOVE IS INVOKED, GOODS SHALL BE RETURNED TO THE CONTRACTOR IN SUBSTANTIALLY THE SAME CONDITION IN WHICH DELIVERED TO THE STATE, SUBJECT TO NORMAL WEAR AND TEAR. STATE FURTHER AGREES TO PAY FOR PACKING, CRATING, TRANSPORTATION TO CONTRACTOR’S NEAREST FACILITY AND FOR REIMBURSEMENT TO THE CONTRACTOR FOR EXPENSES INCURRED FOR THEIR ASSISTANCE IN SUCH PACKING AND CRATING.

23. TERMINATION FOR THE CONVENIENCE OF THE STATE:
   a) The State may terminate performance of work under this Contract for its convenience in whole or, from time to time, in part, if the Department of General Services, Deputy Director, Procurement Division, or designee, determines that a termination is in the State’s interest. The Department of General Services, Deputy Director, Procurement Division, or designee, shall terminate by delivering to the Contractor a Notice of Termination specifying the extent of termination and the effective date thereof. The parties agree that, as to the terminated portion of the Contract, the Contract shall be deemed to remain in effect until such time as the termination settlement, if any, is concluded and the Contract shall not be void.
   b) After receipt of a Notice of Termination, and except as directed by the State, the Contractor shall immediately proceed with the following obligations, as applicable, regardless of any delay in determining or adjusting any amounts due under this clause. The Contractor shall:
      i) Stop work as specified in the Notice of Termination.
      ii) Place no further subcontracts for materials, services, or facilities, except as necessary to complete the continued portion of the Contract.
      iii) Terminate all subcontracts to the extent they relate to the work terminated.
      iv) Settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts; the approval or ratification of which will be final for purposes of this clause.

24. TERMINATION FOR DEFAULT:
   a) The State may, subject to the Force Majeure paragraph contained herein, by written notice of default to the Contractor, terminate this Contract in whole or in part if the Contractor fails to:
      i) Deliver the Goods or to perform the services within the time specified in the Contract or any amendment thereto;
      ii) Make progress, so as to endanger performance of this Contract (but see subparagraph (b) below); or
      iii) Perform any of the other provisions of this Contract (but see subparagraph (b) below).
   b) The State’s right to terminate this Contract under subparagraphs (a)(ii) and (a)(iii) above, may be exercised if the Contractor does not cure such failure within the time frame stated in the cure notice issued by the Buyer.
   c) If the State terminates this Contract in whole or in part, it may acquire, under the terms and in the manner the Buyer considers appropriate, Goods or services similar to those terminated, and the Contractor will be liable to the State for any excess costs for those Goods or services. However, the Contractor shall continue the work not terminated.
   d) If the Contract is terminated for default, the State may require the Contractor to transfer title and deliver to the State, as directed by the Buyer, any:
      i) Completed Goods, and
      ii) Partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and Contract rights (collectively referred to as “manufacturing materials” in this clause) that the Contractor has specifically produced or acquired for the terminated portion of this Contract. Upon direction of the Buyer, the Contractor shall also protect and preserve property in its possession in which the State has an interest.
   e) The State shall pay Contract price for completed Goods delivered and accepted. The Contractor and Buyer shall agree on the amount of payment for manufacturing materials delivered and accepted for the protection and preservation of the property. Failure to agree will be a dispute under the Disputes clause. The State may withhold from these amounts any sum the Buyer determines to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders.
   f) If, after termination, it is determined that the Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the State.
   g) The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or under this Contract.

25. FORCE MAJEURE:
   Except for defaults of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the Contract arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include, but are not limited to:
   a) Acts of Goc or of the public enemy, and
   b) Acts of the federal or state government in either its sovereign or contractual capacity.

   If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform.

28. RIGHTS AND REMEDIES OF STATE FOR DEFAULT:
   a) In the event any Goods furnished or services provided by the Contractor in the performance of the Contract should fail to conform to the requirements herein, or to the sample submitted by the Contractor, the State may reject the same, and it shall become the duty of the Contractor to reclaim and remove the item promptly or to correct the performance of services, without expense to the State, and immediately replace all such rejected items with others conforming to the Contract.
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b) In addition to any other rights and remedies the State may have, the State may require Contractor, at Contractor’s expense, to ship Goods via air freight or expedited routing to avoid or minimize actual or potential delay if the delay is the fault of the Contractor.

c) In the event of the termination of the Contract, either in whole or in part, by reason of default or breach by the Contractor, any loss or damage sustained by the State in procuring any items which the Contractor agreed to supply shall be borne and paid for by the Contractor.

d) The State reserves the right to offset the reasonable cost of all damages caused to the State against any outstanding invoices or amounts owed to Contractor or to make a claim against the Contractor therefore.

27. CONTRACTOR’S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY:

a) The Contractor shall be liable for damages arising out of injury to the person and/or to property of the State, employees of the State, persons designated by the State for training, or any other person other than agents of the Contractor, designated by the State for any purpose, prior to, during, or subsequent to delivery, installation, acceptance, and use of the Goods, or at the Contractor’s site or at the State’s place of business, provided that the injury or damage was caused by the fault or negligence of the Contractor.

b) Contractor shall not be liable for damages arising out of or caused by an alteration or an attachment not made or installed by the Contractor, or for damage to alterations or attachments that may result from the normal operation and maintenance of the Goods provided by the Contractor during the Contract.

28. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all Contractors, subcontractors, suppliers, laborers and any other person, firm, or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm or corporation which may be injured or damaged by Contractor in the performance of this Contract.

29. INVOICES: Unless otherwise specified, invoices shall be sent to the address set forth herein. Invoices shall be submitted in triplicate and shall include the Contract number; release order number (if applicable); item number; unit price; extended item price and invoice total amount. State sales tax and/or use tax shall be itemized separately and added to each invoice as applicable.

30. REQUIRED PAYMENT DATE: Payment will be made in accordance with the provisions of the California Prompt Payment Act, Government Code Section 6272 et. seq. Unless expressly exempted by statute, the Act requires state agencies to pay properly submitted, undisputed invoices not more than 45 days after (i) the date of acceptance of Goods or performance of services; or (ii) receipt of an undisputed Invoice, whichever is later.

31. TAXES: Unless otherwise required by law, the State of California is exempt from Federal excise taxes. The State will only pay for any State or local sales or use taxes on the services rendered or Goods supplied to the State pursuant to this Contract.

32. NEWLY MANUFACTURED GOODS: All Goods furnished under this Contract shall be newly manufactured Goods; used or reconditioned Goods are prohibited, unless otherwise specified.

33. CONTRACT MODIFICATION: No amendment or variation of the terms of this Contract shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Contract is binding on any of the parties.

34. CONFIDENTIALITY OF DATA: All financial, statistical, personal, technical and other data and information relating to the State’s operation which are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor’s data and information are deemed by the State to be adequate for the protection of the State’s confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The Contractor shall not be required under the provisions of this paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the Contractor’s possession, is independently developed by the outside the scope of this Contract, or is rightfully obtained from third parties.

35. NEWS RELEASES: Unless otherwise exempted, news releases pertaining to this Contract shall not be made without prior written approval of the Department of General Services.

36. PATENT, COPYRIGHT AND TRADE SECRET INDEMNITY:

a) Contractor shall hold the State of California, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with the Contract.

b) Contractor may be required to furnish a bond to the State against any and all loss, damage, costs, expenses, claims and liability for patent, copyright and trade secret infringement.

c) Contractor, at its own expense, shall defend any action brought against the State to the extent that such action is based upon a claim that the Goods or software supplied by the Contractor or the operation of such Goods pursuant to a current version of Contractor supplied operating software infringes a United States patent or copyright or violates a trade secret. The Contractor shall pay those costs and damages finally awarded against the State in any such action. Such defense and payment shall be conditioned on the following:

i) That the Contractor shall be notified within a reasonable time in writing by the State of any notice of such claim; and,

ii) That the Contractor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that when principles of government or public law are involved, the State shall have the option to participate in such action at its own expense.

d) Should the Goods or software, or the operation thereof, become, or in the Contractor's opinion are likely to become, the subject of a claim of infringement of a United States patent or copyright or a trade secret, the State shall permit the Contractor at its option and expense either to procure for the State the right to continue using the Goods or software, or to replace or modify the same so that they become non-infringing. If none of these options can reasonably be taken, or if the use of such Goods or software by the State shall be prevented by injunction, the Contractor agrees to
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take back such Goods or software and make every reasonable effort to assist the State in procuring substitute Goods or software. If, in the sole opinion of the State, the return of such infringing Goods or software makes the retention of other Goods or software acquired from the Contractor under this Contract impractical, the State shall then have the option of terminating such Contracts, or applicable portions thereof, without penalty or termination charge. The Contractor agrees to take back such Goods or software and refund any sums the State has paid Contractor less any reasonable amount for use or damage.

e) The Contractor shall have no liability to the State under any provision of this clause with respect to any claim of patent, copyright or trade secret infringement which is based upon:

i) The combination or utilization of Goods furnished hereunder with equipment or devices not made or furnished by the Contractor;

ii) The operation of equipment furnished by the Contractor under the control of any operating software other than, or in addition to, the current version of Contractor-supplied operating software;

iii) The modification by the State of the equipment furnished hereunder or of the software; or

iv) The combination or utilization of software furnished hereunder with non-contractor supplied software.

f) Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

g) The foregoing states the entire liability of the Contractor to the State with respect to infringement of patents, copyrights or trade secrets.

37. EXAMINATION AND AUDIT: Contractor agrees that the State, or its designated representative shall have the right to review and copy any records and supporting documentation pertaining to the performance of this Contract. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees or others who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Contract.

38. DISPUTES:

a) The parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute persists, Contractor shall submit to the Department Director or designee a written demand for a final decision regarding the disposition of any dispute between the parties arising under, related to or involving this Contract, unless the State, on its own initiative, has already rendered such a final decision. Contractor’s written demand shall be fully supported by factual information, and if such demand involves a cost adjustment to the Contract, Contractor shall include with the demand a written statement signed by an authorized person indicating that the demand is made in good faith, that the supporting data are accurate and complete and that the amount requested accurately reflects the Contract adjustment for which Contractor believes the State is liable. If the Contractor is not satisfied with the decision of the Department Director or designee, the Contractor may appeal the decision to the Department of General Services, Deputy Director, Procurement Division. In the event that this Contract is for information technology Goods and/or services, the decision may be appealed to an Executive Committee of State and Contractor personnel.

b) Pending the final resolution of any dispute arising under, related to or involving this Contract, Contractor agrees to diligently proceed with the performance of this Contract, including the delivery of Goods or providing of services in accordance with the State’s instructions. Contractor’s failure to diligently proceed in accordance with the State’s instructions shall be considered a material breach of this Contract.

c) Any final decision of the State shall be expressly identified as such, shall be in writing, and shall be signed by the Department Director or designee or Deputy Director, Procurement Division if an appeal was made. If the State fails to render a final decision within 90 days after receipt of Contractor’s demand, it shall be deemed a final decision adverse to Contractor’s contentions. The State’s final decision shall be conclusive and binding regarding the dispute unless Contractor commences an action in a court of competent jurisdiction to contest such decision within 90 days following the date of the final decision or one (1) year following the accrual of the cause of action, whichever is later.

39. STOP WORK:

a) The State may, at any time, by written Stop Work Order to the Contractor, require the Contractor to stop all, or any part, of the work called for by this Contract for a period up to 90 days after the Stop Work Order is delivered to the Contractor, and for any further period to which the parties may agree. The Stop Work Order shall be specifically identified as such and shall indicate it is issued under this clause. Upon receipt of the Stop Work Order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs attributable to the work covered by the Stop Work Order during the period of work stoppage. Within a period of 90 days after a Stop Work Order is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the State shall either:

i) Cancel the Stop Work Order; or

ii) Terminate the work covered by the Stop Work Order as provided for in the termination fordefault or the termination for convenience clause of this Contract.

b) If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, the Contractor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly; If:

i) The Stop Work Order results in an increase in the time required for, or in the Contractor’s cost properly allocable to the performance of any part of this Contract; and

ii) The Contractor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided, that if the State decides the facts justify the action, the State may receive and act upon a proposal submitted at any time before final payment under this Contract.

c) If a Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated in accordance with the provision entitled Termination for the Convenience of the State, the State shall allow reasonable costs resulting from the Stop Work Order in arriving at the termination settlement.

d) The State shall not be liable to the Contractor for loss of profits because of a Stop Work Order issued under this clause.

40. PRIORITY HIRING CONSIDERATIONS:

If this Contract includes services in excess of $200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with PCC Section 10353.
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41. COVENANT AGAINST GRATUITIES: The Contractor warrants that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the State with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, the State shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by the State in procuring on the open market any items which Contractor agreed to supply shall be borne and paid for by the Contractor. The rights and remedies of the State provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or in equity.

42. NONDISCRIMINATION CLAUSE:
   a) During the performance of this Contract, Contractor and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7255.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Contract by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
   b) The Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Contract.

43. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor swears under penalty of perjury that no more than one final, unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two-year period because of the Contractor's failure to comply with an order of the National Labor Relations Board. This provision is required by, and shall be construed in accordance with, PCC Section 10296.

44. ASSIGNMENT OF ANTITRUST ACTIONS:
   Pursuant to Government Code Sections 4552, 4553, and 4554, the following provisions are incorporated herein:
   a) In submitting a bid to the State, the supplier offers and agrees that if the bid is accepted, it will assign to the State all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clay Act (15 U.S.C. 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of Goods, material, or services by the supplier for sale to the State pursuant to the solicitation. Such assignment shall be made and become effective at the time the State tenders final payment to the supplier.
   b) If the State receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignee shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the State any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the State as part of the bid price, less the expenses incurred in obtaining that portion of the recovery.
   c) Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and:
      i) the assignee has not been injured thereby, or
      ii) the assignee declines to file a court action for the cause of action.

45. DRUG-FREE WORKPLACE CERTIFICATION: The Contractor certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:
   a) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).
   b) Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:
      i) the dangers of drug abuse in the workplace;
      ii) the person's or organization's policy of maintaining a drug-free workplace;
      iii) any available counseling, rehabilitation and employee assistance programs; and
      iv) penalties that may be imposed upon employees for drug abuse violations.
   c) Provide, as required by Government Code Section 8355(c), that every employee who works on the proposed or resulting Contract:
      i) will receive a copy of the company's drug-free policy statement; and
      ii) will agree to abide by the terms of the company's statement as a condition of employment on the Contract.

46. FOUR-DIGIT DATE COMPLIANCE: Contractor warrants that it will provide only Four-Digit Date Compliant (as defined below) Deliverables and/or services to the State. "Four Digit Date Compliant" Deliverables and services can accurately process, calculate, compare, and sequence date data, including without limitation date data arising out of or relating to leap years and changes in centuries. This warranty and representation is subject to the warranty terms and conditions of this Contract and does not limit the generality of warranty obligations set forth elsewhere herein.

47. SWEATFREE CODE OF CONDUCT:
   a) Contractor declares under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the State pursuant to the Contract have been produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. Contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.
b) Contractor agrees to cooperate fully in providing reasonable access to its records, documents, agents or employees, or premises if reasonably required by authorized officials of the State, the Department of Industrial Relations, or the Department of Justice to determine Contractor’s compliance with the requirements under paragraph (a).

48. RECYCLING: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post consumer material as defined in the Public Contract Code Section 12200, in products, materials, Goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Section 12200. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (PCC 12205).

49. CHILD SUPPORT COMPLIANCE ACT: For any Contract in excess of $100,000, the Contractor acknowledges in accordance with PCC Section 7110, that:
   a) The Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and
   b) The Contractor, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

50. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that Contractor complies with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq).

51. ELECTRONIC WASTE RECYCLING ACT OF 2003: The Contractor certifies that it complies with the requirements of the Electronic Waste Recycling Act of 2003, Chapter 8.5, Part 3 of Division 30, commencing with Section 42460 of the Public Resources Code, relating to hazardous and solid waste. Contractor shall maintain documentation and provide reasonable access to its records and documents that evidence compliance.

52. USE TAX COLLECTION: In accordance with PCC Section 10295.1, Contractor certifies that it complies with the requirements of Section 7101 of the Revenue and Taxation Code. Contractor further certifies that it will immediately advise State of any change in its retailer’s seller’s permit or certification of registration or applicable affiliate’s seller’s permit or certificate of registration as described in subdivision (a) of PCC Section 10295.1.

53. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of PCC Section 10286 and 10286.1, and is eligible to Contract with the State.

54. DOMESTIC PARTNERS: For Contracts over $100,000 executed or amended after January 1, 2007, the Contractor certifies that the Contractor is in compliance with Public Contract Code Section 10295.3.

55. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:
   a) If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)
CALIFORNIA PARTICIPATING ADDENDUM
WESTERN STATE CONTRACTING ALLIANCE (WSCA)/NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS (NASPO)

AMENDMENT NO. 1

FACILITIES MAINTENANCE, LIGHTING PRODUCTS, INDUSTRIAL SUPPLIES AND TOOLS

W.W. GRAINGER, INC.

COORDERATIVE AGREEMENT

7-11-51-02

Changes to Participating Addendum:

Section 3., Subparagraph k. Effective Dates:

Extend the contract through February 28, 2017. Lead State amendments to extend the term date are not automatically incorporated into this California Participating Addendum. If a mutual agreement for contract extension cannot be met, the contract may be terminated unilaterally by the State of California at the end of the current contract term.

All other Terms and Conditions remain the same.

IN WITNESS WHEREOF, the parties have executed this Participating Addendum as of the date of execution by both parties below.

State of California
By: [Signature]
Name: Jim Butler
Title: Deputy Director
Date: 2/12/14

W.W. Grainger, Inc.
By: [Signature]
Name: [Signature]
Title: Sr. Grv. Sales Manager
Date: 1/22/2014
Doug D'Alessio  
Grainger Industrial Supply  
3691 Industrial Blvd  
West Sacramento, CA 95691

March 5, 2013

Dear Mr. D'Alessio,

This letter will serve to inform Grainger that contract number 1862 is entering the 3rd year of a potential 6 year contract. This is a Multi-State Contract for Facilities Maintenance, Lighting Products, Janitorial Supplies Industrial Supplies and Tools. This contract serves all segments within State Local and Educational Institutions. In an effort to further clarify the offering outlined in Grainger’s ITB 1862 the contract includes the following offering.

- All Products included Grainger Current General Catalog Offering  
  - Overview of Project  
  - Statewide Master Services Agreement  
    - Pursuit to NRS 277.100 NRS 277.110 NRS 333.162.(1)(d) NRS 333.480  
  - Grainger Executive Summary  
  - Mandatory Requirement Section 3
- All Products included on Grainger.com  
  - Mandatory Requirement Section 3  
  - Section 3.3-3.10
- All Products offered by Grainger Parts and Special Orders  
  - Mandatory Requirement Section 3  
  - Sections 3.5, 4.9, 4.13, 11.8  
  - Exhibit 1
- All Safety and Security Products Related to Public Safety Segment  
  - Overview of Project  
  - Mandatory Requirement Section 3  
    - Section 3.11  
  - All Safety Training Seminars Exhibit 4
- Grainger Inventory Solutions/KeepStock Programs  
  - KeepStock Label, Scan, Mobile, Track, Secure, Onsite, Store  
  - Executive Summary  
  - Section 3 Mandatory Requirement  
  - Section 4.6.5, 4.7, 4.10.5, 4.13
- Grainger Consulting Solutions  
  - Mandatory Requirements Section 3  
  - Sections 3.3.3, 3.4, 4.6.5, 4.8, 4.13,

Sincerely,

Gail Butchett, Purchasing Officer  
Nevada State Purchasing
New category discounts effective Sep 1, 2017 - Jun 30, 2018

Percentage off list per category

<table>
<thead>
<tr>
<th>Category</th>
<th>Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>HVAC</td>
<td>18%</td>
</tr>
<tr>
<td>Air Filters</td>
<td>40%</td>
</tr>
<tr>
<td>Lamps, Ballasts, Fixtures</td>
<td>45%</td>
</tr>
<tr>
<td>Cleaning</td>
<td>30%</td>
</tr>
<tr>
<td>Material Handling Repairs</td>
<td>18%</td>
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<tr>
<td>Security</td>
<td>20%</td>
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<tr>
<td>Motors and Accessories</td>
<td>28%</td>
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<tr>
<td>Electrical Repairs and Equipment</td>
<td>18%</td>
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<tr>
<td>Fasteners</td>
<td>25%</td>
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<tr>
<td>Batteries and Flashlights</td>
<td>18%</td>
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<tr>
<td>Outdoor Garden Supplies and Equipment</td>
<td>18%</td>
</tr>
<tr>
<td>Paint and Accessories</td>
<td>18%</td>
</tr>
<tr>
<td>Plumbing</td>
<td>18%</td>
</tr>
<tr>
<td>Pneumatic Tools</td>
<td>18%</td>
</tr>
<tr>
<td>Power Tools and Accessories</td>
<td>20%</td>
</tr>
<tr>
<td>Safety</td>
<td>20%</td>
</tr>
<tr>
<td>Hand Tools</td>
<td>25%</td>
</tr>
<tr>
<td>Welding and Soldering</td>
<td>18%</td>
</tr>
</tbody>
</table>

Note: This Price Schedule must be submitted together with Attachment H (Market Basket Pricing Schedule) to the State as a separate, sealed package and clearly marked: “Pricing Proposal in Response to RFP No. 1862” per the Submittal Instructions in Section 9.

New category discounts effective September 1, 2017 - June 30, 2018