



Contract #289-2014



October 13, 2014

Toni Floyd
 Staff Assistant Senior
 Lexington-Fayette Urban County Government Division of Water Quality
 951 Enterprise Drive
 Lexington, KY 40510

KeepStock® SecureSM Proposal by W. W. Grainger, Inc., ("Grainger") to Lexington-Fayette Urban County Government Division of Water Quality, (hereinafter "You or Yours")

Dear Ms. Floyd:

Grainger can help You manage your inventory better. With Grainger's KeepStock® SecureSM solution, Grainger will provide You with a managed inventory solution using automated dispensing and storage machines to help You secure and manage Your usage of industrial and safety products.

Grainger will work with You to select the right equipment for You, install the equipment, and train Your employees to the use the equipment and make simple repairs, *all without any fees or charges.*

Your dispensing machine equipment will arrive ready for action—stocked with the new Grainger items that we have mutually selected.

Key benefits of our KeepStock® SecureSM solution include:

- 24/7 access to high-volume supplies flexibly located at Your selected points of consumption—allowing Your employees to spend more time on the job and less time getting the products they need to do their work.
- Based on your work flow approvals, automated re-ordering can reduce Your costs by decreasing on hand inventory, help avoid stock-outs, and allow You to reduce PO processing costs.
- KeepStock® SecureSM helps prevent waste and loss by allowing You to better track usage and by securing products in locked units.
- You determine the levels of access to inventory in the equipment; this can be adjusted on an employee-by-employee basis for selected periods of time through the use of regular or specially designed badges, passwords or established authority levels.
- Grainger's detailed reporting capabilities help increase the productivity of Your procurement staff with easy-to-access information on the goods being dispensed from the equipment on an item, machine, location, account or employee basis.
- Grainger will work with You to select the number, types, and locations of machines for Your facilities and the right products for the machines. Grainger will then place the machines in Your facilities and replenish the product as needed.
- Grainger will repair and maintain the machines and provide training for Your select employees so that they can handle minor problems, like door jams, themselves.

Our KeepStock® SecureSM solution can be tailored to meet a wide variety of needs; our dispensing equipment is available in five different customizable, independently operating types of machines.

Our proposed solution involves a review of Your needs to identify the equipment that is appropriate for You, which Grainger performs at no charge and without any commitment.

The Equipment is provided to You on the following terms, Your agreement to which is evidenced by Your signature below:

1. **Equipment:**

The equipment You select is listed in the attached Schedule 1 ("Equipment"). You will provide Grainger access to the Equipment for maintenance, repair, replenishment, relocation, or removal. Grainger reserves the right to remove the Equipment at any time, upon reasonable notice.

Grainger grants You a non-exclusive, non-transferable and non-assignable, limited, revocable license to use the web-based reporting platform ("Software") contained in the Equipment, solely in the Equipment.

In order to allow select employees to handle minor problems, such as door jams, Grainger agrees to provide You with a key to the Equipment and You accept all responsibility for any loss or theft of product from the Equipment. YOU AGREE THAT GRAINGER SHALL HAVE NO LIABILITY FOR WORK INTERRUPTION DUE TO PRODUCT UNAVAILABILITY RESULTING FROM MALFUNCTION OF THE EQUIPMENT OR OTHERWISE.

You are relieved from all risk of loss or damage to the Equipment except for any damage or loss that may result from You or Your employees' or agents' negligent or intentional acts.

At the end of the initial Term of three (3) years, this agreement will automatically continue year to year. Either You or Grainger may terminate this agreement at the expiration of any term with 60 days prior written notice. Either You or Grainger may terminate this agreement with 30 days written notice in the event the other party fails to meet its obligations as described above. Upon termination, Grainger shall retain access to the Equipment for the purpose of removal from the premises.

2. **Product Stocked or Stored in the Equipment:**

Except for a limited amount of Grainger-approved consumable products supplied by third party vendors, all new products in the Equipment shall be supplied by Grainger. Nothing in this agreement affects the terms and conditions under which You purchase products from Grainger.

You can use Equipment to store consumable and durable products purchased from Grainger and up to ten percent of the Equipment's storage capacity for products purchased from any source. Up to one hundred percent of the capacity of a Locker may be used to store durable products purchased from any source. The enclosed unvented nature of storage compartments might make them unsuitable for storing certain items. Grainger assumes no responsibility for product placed in Equipment for storage purposes. You shall not authorize any person under the age of eighteen (18) to withdraw products from Equipment.

3. **Reporting and Software:**

Product usage reporting and management of the employee database is contingent upon Your installation of the Software. You must (a) confirm network security clearance, (b) allow synchronization initiated by the Equipment's point of use application over a secure port, (c) provide a dedicated power supply, (d) provide Cat 5 connection Internet Drops at the Equipment and (e) confirm web service connection from validation from a commonly used browser (e.g. - Microsoft Internet Explorer, Mozilla Firefox, Google Chrome, Apple Safari, etc.) to simulate point of use application connectivity. If a Cat 5 connection is unavailable, a cellular connection may suffice. You understand that it is not permitted to alter, reverse engineer or inspect the Software.

IN WITNESS WHEREOF, the parties have executed this Agreement by its authorized representatives as of the dates set forth below, the latter of which shall serve as the Effective Date of this Agreement.

W.W. Grainger, Inc., for and on behalf of itself, and its current and future subsidiaries, divisions and affiliates

Legal Entity: Grainger Industrial Supply, a division of W.W. Grainger Inc.

Signature: *Michelle Hammer*

Print Name: Michelle Hammer
Title: District Sales Manager - Government
Date: 12/9/2014

Lexington-Fayette Urban County Government
Division of Water Quality

Signature: *Jim Gray*
(Authorized)

Print Name: JIM GRAY
Title: Mayor
Date: 12.11.14

Equipment Schedule #1

Installation Address, Installation Contact Name/Title, Account Number and Equipment:

Customer Name: Sewer Line Maintenance
Address: 900 Enterprise Drive, Lexington, KY 40510
Contact Name/Title: Toni Floyd, Staff Assistant Senior

Business Partner Code
805021607

Equipment:	Quantity:
CABINET	
CAROUSEL	1
COIL	
DRAWER	
LOCKER	

GRAINGER INDUSTRIAL SUPPLY,
 a division of W.W. GRAINGER, INC.

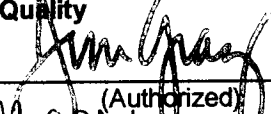
Signature: 

Print Name: Michelle Hammer

Title: District Sales Manager - Government

Date: 12/9/2014

Lexington-Fayette Urban County Government
Division of Water Quality

Signature: 
 (Authorized)

Print Name: JIM GRAY

Title: MAYOR

Date: 12.11.14