

STATE OF CALIFORNIA
PARTICIPATING ADDENDUM NUMBER 7-25-51-02
FACILITIES MAINTENANCE, REPAIR AND OPERATIONS (MRO)
AND INDUSTRIAL SUPPLIES

Commonwealth of Kentucky NASPO ValuePoint
Master Agreement Number MA 758 2500000413
W.W. Grainger, Inc. (Contractor)

This Participating Addendum Number 7-25-51-02 is entered into between the State of California, Department of General Services (hereafter referred to as "State" or "DGS") and W.W. Grainger, Inc. (hereafter referred to as "Contractor") under the lead state of Commonwealth of Kentucky NASPO ValuePoint Master Agreement Number MA 758 2500000413.

1. SCOPE

- A. This Participating Addendum covers the purchase of Facilities Maintenance, Repair, and Operations (MRO) and Industrial Supplies under the Commonwealth of Kentucky NASPO ValuePoint Master Agreement. The Commonwealth of Kentucky NASPO ValuePoint Master Agreement is hereby incorporated by reference. Product/service categories included under this Participating Addendum are identified in Section 5 (Available Products and Services).
- B. This Participating Addendum is available for use by California state agencies and local governments. A local government is defined as any city, county, city and county, district, or other local governmental body, school district or corporation empowered to expend public funds. The [State Agency Listing](https://www.ca.gov/agenciesall/) (<https://www.ca.gov/agenciesall/>) provides a comprehensive list of state agencies.
- C. Each local government is to make its own determination whether this Participating Addendum and the Commonwealth of Kentucky NASPO ValuePoint Master Agreement are consistent with its procurement policies and regulations.

2. TERM

- A. The term of this Participating Addendum shall begin January 1, 2025, or upon signature approval by the State whichever occurs later, and will end August 31, 2026, or upon termination by the State, whichever occurs first.
- B. Lead state amendments to extend the NASPO ValuePoint Master Agreement term date are not automatically incorporated into this Participating Addendum. Extension(s) to the term of this Participating Addendum will be through a written amendment upon mutual agreement between the State and the Contractor.

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- C. Order placement and execution shall be on or before the expiration of this Participating Addendum. However, delivery of products may be up to 120 days after the Participating Addendum expiration date.

3. TERMS AND CONDITIONS/INCORPORATION OF DOCUMENTS

- A. Terms and conditions listed below are hereby incorporated by reference and made a part of this Participating Addendum as if attached herein and shall apply to the purchase of goods or services made under this Participating Addendum.

- 1) General Provisions – Non-Information Technology Goods (DGS PD-401 Non-IT Goods), effective 6/21/2022

- B. Terms can be viewed on the [DGS Procurement Division website](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Required-Language-for-Solicitations-and-Contracts) (<https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Required-Language-for-Solicitations-and-Contracts>).

4. ORDER OF PRECEDENCE

- A. In the event of any inconsistency between the articles, attachments, or provisions which constitute this agreement, the following descending order of precedence shall apply:

- 1) California Participating Addendum Number 7-25-51-02
2) Commonwealth of Kentucky NASPO ValuePoint Master Agreement Number MA 758 2500000413

5. AVAILABLE PRODUCTS AND SERVICES

Product offerings from the Commonwealth of Kentucky NASPO ValuePoint Master Agreement number MA 758 2500000413 are allowed under this Participating Addendum.

6. RESTRICTIONS/DISALLOWED PRODUCTS AND SERVICES (STATE AGENCIES ONLY)

- A. The following restrictions apply to state agency purchases under this Participating Addendum:

- 1) Products restricted in the Commonwealth of Kentucky NASPO ValuePoint Master Agreement.
2) Product and service categories that are available on mandatory California statewide contracts cannot be purchased from this Participating Addendum by state agencies without an exemption. State agencies are responsible for obtaining a mandatory statewide contract exemption from DGS prior to issuing a purchase order.

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7. ENVIRONMENTALLY PREFERABLE PURCHASING REQUIREMENTS

Contractor shall comply with all applicable laws and regulations for the products offered in this agreement.

- A. Public Contract Code (PCC) Sections 12400-12404 requires DGS, Procurement Division to provide state agencies with information and assistance regarding environmentally preferable purchasing. This information is available in the DGS [EPP Best Practices Manual](https://www.dgs.ca.gov/PD/Resources/Find-EPP-Goods-and-Services) (<https://www.dgs.ca.gov/PD/Resources/Find-EPP-Goods-and-Services>).
- B. PCC 12201 (c) requires state agencies to purchase recycled products instead of nonrecycled products, if all the following requirements are met:
 - 1) Fitness and quality of the products are equal.
 - 2) Recycled products are available at no more than ten (10) percent greater total cost than nonrecycled products.
 - 3) One of the following situations applies:
 - a) A state agency uses a leveraged procurement agreement through which both recycled and nonrecycled products are available.
 - b) A state agency is awarding a contract using Section 14838.5 of the Government Code and receives offers for both recycled and nonrecycled products.
 - c) A state agency awards a contract without soliciting multiple offers based on a determination that the price is fair and reasonable.
- C. PCC 12404 requires manufacturers, vendors, or other nongovernmental entities contracting with DGS to certify in writing that any environmental claims they make concerning their products and services are consistent with the Federal Trade Commission's Guidelines for the Use of Environmental Marketing Terms. By signing this agreement, Contractor certifies compliance with PCC Section 12404.
- D. State agencies are required to report purchases made within the product categories in the California Department of Resources Recycling and Recovery's State Agency Buy Recycled Campaign (SABRC) per Public Contract Code Sections 12200-12217. PCC Section 12205 (b) (1) requires all businesses to certify the minimum percentage, if not the exact percentage, of post-consumer recycled content (PCRC) in the products being offered or sold to the state regardless of whether the product meets the requirements of PCC Section 12209. Contractor will be required to complete and return a [Recycled-Content Certification form](https://www.calrecycle.ca.gov/contracts/forms) (<https://www.calrecycle.ca.gov/contracts/forms>) upon request by the state agency.

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E. Public Resources Code (PRC) Sections 42290 - 42298 requires that manufacturers of regulated plastic bags (thickness of 0.75 mil or greater) sold in California:

- 1) Ensure plastic bags contain at least ten (10) percent PCRC by weight.
- 2) Or ensure that at least thirty (30) percent of the weight of the material used in all of its plastic products intended for sale in this state is recycled plastic postconsumer material.
- 3) All plastic trash bags offered for sale must identify the thickness (mil), the PCRC percentage, and the manufacturer's name in the catalog product description.
- 4) Manufacturers and suppliers of plastic trash bags must be compliant with California Plastic Trash Bag laws. Refer to [CalRecycle Recycle Content Plastic Trash Bag Program](https://www.calrecycle.ca.gov/buyrecycled/trashbags/) (<https://www.calrecycle.ca.gov/buyrecycled/trashbags/>) for a list of compliant manufacturers and suppliers. Manufacturers or wholesalers that fail to comply with this law are ineligible for award of any state contract.

8. PRICING

- A. Contractor's pricing is outlined in the Commonwealth of Kentucky NASPO ValuePoint Master Agreement Number MA 758 2500000413.
- B. Contractor shall notify the State Contract Administrator of any amendments and pricing adjustments approved and executed by the Commonwealth of Kentucky.
- C. Contractor shall provide Contractor's catalog link to the State Contract Administrator.

9. AUTHORIZED RESELLERS

- A. Contractor may use State-approved Authorized Resellers under this Participating Addendum for sales and service functions as defined herein.
 - 1) Authorized Resellers must accept purchase orders and accept payment from ordering agencies for products and services offered under this Participating Addendum.
 - 2) Authorized Resellers are responsible for sending a copy of all purchase orders and invoices to the Contractor for compliance with quarterly usage reporting and administrative fee requirements.
 - 3) All purchase documents to Authorized Resellers shall reference the Participating Addendum Number and Contractor Name.

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- B. Contractor shall be responsible for successful performance and compliance with all requirements in accordance with the terms and conditions under this Participating Addendum, even if work is performed by Authorized Resellers. All State policies, guidelines, and requirements shall apply to Authorized Resellers.
- C. Contractor will be the sole point of contact with regard to Participating Addendum contractual matters, reporting, and administrative fee requirements.
- D. Subject to the approval of the State, Authorized Resellers may be added on a quarterly basis during the term of the Participating Addendum. Contractors shall notify the State in writing of any deleted Authorized Resellers or changes to current Authorized Resellers' information at any time.
- E. Contractor will be required to submit Authorized Reseller requests, in a format specified by the State, to the State Contract Administrator for approval.
- F. State-approved Authorized Resellers will be posted on the State's Cal eProcure website.

10. SUBCONTRACTORS

Subcontractors will not be used for this Participating Addendum.

11. ORDERING AGENCY RESPONSIBILITIES

- A. State agency and local government use of this Participating Addendum is optional.
- B. State agencies and local governments must follow the ordering procedures outlined within the User Instructions guide, administered by the State Contract Administrator, to execute orders against this Participating Addendum. User Instructions are posted on the State's Cal eProcure website.
- C. All purchase orders executed under this Participating Addendum shall include the Participating Addendum Number 7-25-51-02.

12. DELIVERY

- A. Delivery shall occur as negotiated between ordering agency and Contractor and included in the purchase order, or as otherwise stipulated in the Commonwealth of Kentucky NASPO ValuePoint Master Agreement.
- B. Free On Board (F.O.B.) Destination, freight prepaid by the Contractor, to the ordering agency's receiving point. Additional shipping charges for oversized or overweight items must be presented to and approved by the ordering agency prior to purchase.

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13. INVOICING AND PAYMENT

- A. Payment will be made in accordance with General Provisions – Non-Information Technology Goods Paragraph 30 (Required Payment Date).
- B. Invoices shall be sent to the address identified in the ordering agency's purchase order. The Participating Addendum Number and ordering agency purchase order number shall appear on each invoice for all purchases placed under this Participating Addendum.
- C. Contractor will accept the State of California credit card (CAL-Card) for payment of invoices.

14. USAGE REPORTING

- A. Contractor shall submit usage reports on a quarterly basis to the State Contract Administrator for all California entity purchases using the report template attached hereto as Attachment A. The report is due even when there is no activity.
- B. The State Contract Administrator reserves the right to modify Attachment A and require Contractor to provide additional order information during the course of this Participating Addendum.
- C. The report shall be an Excel spreadsheet transmitted electronically to the [DGS Cooperatives mailbox](mailto:PDCooperatives@dgs.ca.gov) (PDCooperatives@dgs.ca.gov).
- D. Any report that does not follow the required format or that excludes information will be deemed incomplete. Contractor will be responsible for submitting corrected reports within five (5) business days of the date of written notification from the State.
- E. Tax must not be included in the report, even if it is on the purchase order.
- F. Reports are due for each quarter as follows:

Reporting Period	Due Date
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

- G. Failure to meet reporting requirements and submit the reports on a timely basis shall constitute grounds for suspension of this Participating Addendum.
- H. Time extensions may be approved only if all due reports have been submitted to the State.

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15. ADMINISTRATIVE FEE

- A. Contractor is required to remit to DGS an administrative fee amount equal to 1.25% of the sales for the quarterly reporting period less freight, taxes, returned products and credits. (For example, if the net sales for the reporting quarter totals \$100,000.00, the incentive fee due to DGS would be \$1,250.00.)
- B. The administrative fee shall not be included as an adjustment to Contractor's NASPO ValuePoint Master Agreement pricing.
- C. The administrative fee shall not be invoiced or charged to the ordering agency.
- D. Payment of the administrative fee is due irrespective of payment status from ordering agencies.
- E. Payment may be made in the form of an electronic payment using the [LPA Payment Portal website](https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Access-LPA-Payment-Portal) (<https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Access-LPA-Payment-Portal>) or by submitting a check payable to the State of California, Department of General Services.
- F. Administrative fee payments made by check must include the Participating Addendum Number on the check and be submitted to the following address:

Department of General Services
Procurement Division
Attn: MAPS Payment Processing
707 Third Street, 2nd Floor
West Sacramento, CA 95605

- G. Administrative fee payments are due for each quarter as follows:

Reporting Period	Due Date
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

- H. Failure to meet administrative fee requirements and submit fees on a timely basis shall constitute grounds for suspension of this Participating Addendum.

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16. CONTRACT MANAGEMENT

- A. The primary Contractor Contract Manager for this Participating Addendum shall be as follows:

Contractor	Contract Manager
Name:	Joshua Green
Phone:	(707) 732- 6265
Email	joshua.green@grainger.com
Address:	W.W. Grainger, Inc. Attn: Joshua Green 100 Grainger Parkway Lake Forest, IL 60045

- B. The State Contract Administrator for this Participating Addendum shall be as follows:

State	Contract Administrator
Name:	Yolanda Tutt
Phone:	(279) 946-8401
Email	yolanda.tutt@dgs.ca.gov
Address:	State of California Department of General Services Procurement Division 707 Third Street, 2nd Floor, MS 2-202 West Sacramento, CA 95605

- C. Should the contact information for either party change, the party will provide written notice with updated information no later than ten (10) business days after the change.

17. TERMINATION OF AGREEMENT

The State may terminate this Participating Addendum at any time upon thirty (30) days prior written notice to the Contractor. Upon termination or other expiration of this Participating Addendum, each party will assist the other party in orderly termination of the Participating Addendum and the transfer of all assets, tangible, and intangible, as may facilitate the orderly, non-disrupted 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.

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18. AMENDMENT

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

19. NEWS RELEASES

Unless otherwise exempted, news releases, endorsements, advertising, and social media content pertaining to this Participating Addendum shall not be made without prior written approval from the State.

20. EXECUTIVE ORDER N-6-22 – RUSSIA SANCTIONS

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Participating Addendum. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least thirty (30) calendar days to provide a written response. Termination shall be at the sole discretion of the State.

21. GENERATIVE ARTIFICIAL INTELLIGENCE (GENAI) REPORTING

The State of California seeks to realize the potential benefits of GenAI, through the development and deployment of GenAI tools, while balancing the risks of these new technologies.

Upon request by an ordering agency, Contractor must complete a [GenAI Reporting and Fact Sheet \(STD 1000\)](#) to identify if their solution or service includes, or makes available, any GenAI including, GenAI from third parties or subcontractors.

During the term of the contract, Contractor must notify the State in writing if their services or any work under this contract includes, or makes available, any previously unreported GenAI technology, including GenAI from third parties or subcontractors. Contractor shall immediately complete the GenAI Reporting and Factsheet (STD 1000) to notify the State of any new or previously unreported GenAI technology.

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At the direction of the State, Contractor shall discontinue the use of any new or previously undisclosed GenAI technology that materially impacts functionality, risk or contract performance, until use of such GenAI technology has been approved by the State.

Failure to disclose GenAI use to the State and submit the GenAI Reporting and Factsheet (STD 1000) may be considered a breach of the contract by the State at its sole discretion and the State may consider such failure to disclose GenAI and/or failure to submit the GenAI Reporting and Factsheet (STD 1000) as grounds for the immediate termination of the contract. The State is entitled to seek any and all relief to which it may be entitled to as a result of such non-disclosure.

The State reserves the right to amend the contract, without additional cost, to incorporate GenAI Special Provisions into the contract at its sole discretion and/or terminate any contract that presents an unacceptable level of risk to the State.

If Contractor identifies GenAI in their solution, a copy of the STD 1000 must be submitted to the State Contract Administrator.

22. AGREEMENT

- A. This Participating Addendum and the Master 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 Participating Addendum and the Master Agreement, together with its exhibits and/or amendments, shall not be added to or incorporated into this Participating Addendum or the Master 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 Participating Addendum and the Master Agreement and its exhibits and/or amendments shall prevail and govern in the case of any such inconsistent or additional terms.
- B. By signing this Participating Addendum, Contractor agrees to offer the same products/services available on the Commonwealth of Kentucky NASPO ValuePoint Master Agreement Number MA 758 2500000413, at prices equal to or lower than the prices on that agreement.

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

STATE OF CALIFORNIA

CONTRACTOR

Department of General Services

W.W. Grainger, Inc.

Agency Name

Contractor Name

Julie
Matthews

Digitally signed by Julie
Matthews
Date: 2024.12.16 10:57:33
-08'00'

12/16/2024

Authorized Signature

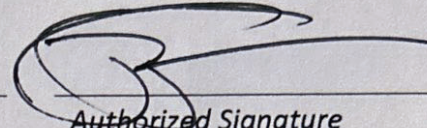
Date Signed

Julie Matthews, MAU2 Supervisor

Printed Name/Title of Person Signing

707 Third Street
West Sacramento, CA 95605

Address

 12/9/2024

Authorized Signature

Date Signed

JOSHUA GREEN Sr. Manager

Printed Name/Title of Person Signing

100 GRAINGER PKWY
LAKE FOREST, IL 60045

Address