

**Terms and Conditions Governing an Onsite Supply Agreement
Between SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA and
FASTENAL COMPANY**

CONTRACT TERM. This Agreement, effective as of DATE, 2018 is made by and between SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA ("Buyer"), with its principal place of business at 1960 Landings Blvd., Sarasota, FL 34231; and FASTENAL COMPANY ("Fastenal" or "Seller"), with its offices at 2001 Theurer Boulevard, Winona, MN 55987. Unless sooner terminated or canceled, this Agreement shall remain in effect for a five (5) year period beginning on the effective date hereof and shall automatically renew for additional terms of one (1) year, unless written notice is provided to the other party no later than ninety (90) days before the expiration of the then current term that this Agreement will be terminated. Either party may terminate this Agreement at any time upon thirty (30) days written notice for any reason, with or without cause.

SCOPE OF CONTRACT. This Agreement primarily covers Seller provided services related to the procurement, distribution and management of Products through Seller operated Onsite store locations. Buyer and Seller will mutually agree on locations that wish to engage through Seller Onsite store operations. Onsite locations are identified in **EXHIBIT #1** – List of Onsite store operations.

Buyer is under no obligation to purchase Goods under this Agreement. The pricing and discounts contained in **Exhibit #3** of the Onsite Supply Agreement are conditioned upon Buyer maintaining a minimum of \$50,000 in monthly spend at each Seller operated Onsite location identified in **EXHIBIT #1**. Buyer shall meet the monthly run rate of spend commensurate to achieving and maintaining the defined monthly spend per site within the first twelve months of this Agreement. Should Buyer not achieve the minimum monthly run rate within the first 12 months, Seller reserves the right to initiate any or all of the following remedies: Discontinue Seller's Onsite operations unless Buyer agrees to pay all direct labor costs, or immediate termination of this Agreement. Seller also reserves the right to periodically review spend data to verify sufficient spend by Buyer at any time during the term of this Agreement.

DEFINITION OF TERMS FOR FASTENAL DISTRIBUTED PRODUCTS. As used herein, the following terms shall have the following meanings, respectively:

"Product(s)" shall mean all goods sold to Buyer under this Agreement which are not Buyer's Procured Products.

"Core Items" shall mean any Product on the **Core Item File**. The current list of Core Items may be identified through the message "Core Item" when shopping on www.fastenal.com with the Buyer's account number. Additionally, the message of "Core Item" will be displayed at the local store within Seller's Point-of-Sale system and on any punch-out e-catalogs required by Buyer. *Core Items should only represent the items purchased with high frequency where planned purchasing is attainable.*

"Catalog Item" shall mean any Product in the current revision of Seller's Big Blue catalog and any Product available on www.fastenal.com (that is not a Core Item) and has a published wholesale price

"Non-Catalog Item" shall mean any Product that is not a Core Item and/or is not a Catalog Item.

"Non-Standard Product" shall mean a part that is not a Catalog Item. Additionally a Non-Standard Product may be a Catalog Item that requires a secondary process with plating/coatings, or a Catalog Item which, at the request of Buyer, is stocked in larger quantities than would normally be stocked by Seller.

“Capital Goods Items” shall mean any products that are (i) a machine or tool used in the production of another item or (ii) typically considered an asset purchase instead of a consumable expense. Capital Goods Items are typically high dollar value items purchased infrequently that would not be considered an OEM part or a consumable item. The current list of Capital Goods Items may be identified through the message “Capital Goods Items” when shopping on www.fastenal.com with the Buyer’s account number. Additionally, the message of “Capital Goods Items” will be displayed at the local store within Seller’s Point-of-Sale system and on any “punch-out” E-catalogs required by Buyer.

ONSITE SERVICES. For locations in **EXHIBIT #1**, Buyer shall provide Seller with sufficient mutually agreed upon space and reasonable access to an Onsite facility during regular scheduled work hours to serve as a Seller distribution center and to conduct material handling and administrative activities for Buyer at mutually agreeable times. Unless otherwise agreed in writing, Buyer will provide reasonable utility services (air condition, heat, electricity, telephones, data, and internet access) to the Onsite facility at Buyer’s expense. Buyer and Seller will develop a mutually agreed upon Statement of Work (S.O.W.) outlining the Onsite Services to be performed and the proposed Cost Savings associated with the proposed Onsite service.

For Onsite serviced location(s) Seller will determine the number of Onsite personnel required to perform the services offered in the Onsite location(s). This team will be dedicated to:

- Managing formal RFP/RFQ events

- Performing various tasks & functions identified in **EXHIBIT # 2** - Statement of Work (S.O.W.)

- Identify opportunities for cost savings

- Evaluation of site level operational Current State/Future State opportunities

- Ongoing Lean Six Sigma Process Mappings to identify the optimal mode of supply for every product category at every location where Seller manages materials through an Onsite store

- Lead corporate and local business case reviews for new initiatives and continuous improvement

DATA AGGREGATION. As part of the performance of this Agreement, Seller will be gathering information from other entities in the industrial supply industry. While Seller will not use the purchase order level data for any purpose other than the fulfillment of Seller’s obligations under this Agreement, it is acknowledged and understood by Buyer that Seller will use an aggregation of the acquired information to gain market intelligence for enterprise use.

CONTRACT PRICING - FOR FASTENAL DISTRIBUTED PRODUCTS.

Pricing of Core Items are net prices. Core Items pricing will be periodically reviewed throughout the term of the Agreement. Seller will provide adequate documentation to substantiate proposed price adjustments. Such documentation may include but is not limited to third-party market reports, documentation from Seller’s Sellers and reputable commodity indexes. If the parties are unable to agree on pricing adjustments, then either party may terminate the Agreement with sixty (60) days prior written notice. In the event of termination pursuant to this paragraph, no price adjustment will take effect.

Buyer shall receive a discount off Seller’s wholesale pricing for Catalog Items. Discounts shall be calculated using Seller’s wholesale price effective on the date of purchase per **EXHIBIT #3**. Discounts shall not apply to Capital Goods Items. Capital Goods Items will be offered to Buyer at Seller’s lowest sell price available on day of sale.

Pricing for Non-Catalog items shall be negotiated by the parties at the local level prior to the sale of said items.

Pricing under this Agreement establishes a maximum price. Pricing on individual purchases may be lower on a transactional basis. Transactional pricing below the negotiated pricing methodology of this Agreement does not constitute a contract-wide price reduction.

Pricing expressed in this Agreement is in USD and applies to domestic orders with deliveries within the continental United States of America. Any orders with deliveries outside the continental United States may be subject to alternative pricing or service fees such as additional product cost due to duties, tariffs, currency exchange, and logistical difficulties in connection with such deliveries based upon destination. The parties will reasonably attempt to identify such orders and establish acceptable pricing or service fees prior to delivery.

PAYMENT TERMS. Fastenal shall remit invoices to Buyer weekly. Buyer shall remit payment of invoices to:

FASTENAL COMPANY
Attn: Accounts Receivable
P.O. BOX 1286
Winona, MN 55987

Buyer shall pay all invoices pursuant to the Florida Prompt Payment Act, Section 218.70 et seq., Florida Statutes.

FREIGHT. All shipments will be FOB Buyer's Onsite facility. Any product requiring special freight arrangements must have prior plant authorization before charges are applied. Non-standard/Special or emergency orders may require special freight arrangements, which if approved by Buyer, will be payable by the Buyer.

TITLE. All Supplies held in inventory at Buyer's location shall remain the property of Fastenal until such time that the Supplies are withdrawn or otherwise used by Buyer, at which time Buyer shall be deemed to have purchased the Supplies. However, Buyer will be responsible for any damage, destruction or theft of any Supplies that Fastenal provides to or maintains within the Onsite store, except in the event such losses are directly caused by the negligence or intentional actions of Fastenal, its employees or agents. Buyer will assist and approve or, upon request, execute any documents confirming Fastenal's title to the Supplies, prior to transfer of such title to Buyer noted herein.

INVENTORY COMMITMENT. If Buyer specifically requests Seller to stock certain Non-Standard Products in its inventory and then discontinues use of any stocked Non-Standard Products or this Agreement is terminated, Buyer agrees to purchase all remaining quantities of Non-Standard Products maintained or ordered by Seller for Buyer within ten (10) days from the date of demand. Under this Agreement, Seller will maintain an agreed upon inventory of Non-standard Products for the Buyer

EQUIPMENT. Seller will provide all cages, fencing, temporary office structures, material handling equipment, operations equipment, cables, computer hardware or software, bins, cabinets, shelving, racking and similar material handling apparatus that Fastenal utilizes and maintains in Buyer's Onsite facility. Such equipment and supplies will remain the property of Fastenal, unless directly purchased, or provided, by the Buyer. Upon termination of this Agreement, Buyer will provide Fastenal with reasonable access to Buyer's property and Fastenal shall remove all such property in a timely and efficient manner. However, Fastenal will not be responsible for restoration activities and cost of repairs or improvements to the premises, unless caused by the negligent or improper removal of equipment by Fastenal.

TERMS AND CONDITIONS OF PURCHASE. Purchases under this Agreement shall be governed by the Terms of Purchase found on the Legal Information page at www.fastenal.com. This Agreement and the Terms of Purchase shall control all Orders placed by Buyer and shall replace and

supersede any previous terms and conditions entered into by the Parties. In the event of any conflict between this Agreement and the Terms of Purchase, this Agreement shall control.

ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties and there are no verbal or collateral understandings, agreements, representations other than as expressly set forth therein. This Agreement may only be modified by written agreement of the parties.

GOVERNING LAW/DISPUTE RESOLUTION. This Agreement shall be governed and construed in accordance with the laws of the State of Florida, and the sole and exclusive jurisdiction for any action brought pursuant to or concerning this Agreement shall be in the Twelfth Judicial Circuit Court in and for Sarasota County, Florida. There shall be no requirement that the parties arbitrate any dispute unless both parties specifically agree to do so.

BACKGROUND CHECKS. Seller assures that each of its employees assigned hereunder has been fingerprinted by an authorized law enforcement agency and processed by the State Department of Law Enforcement and the Federal Bureau of Investigation for criminal background checks. Seller may coordinate with Buyer for Buyer to process the fingerprinting/background checks, the cost of which will be paid by Seller. Any employee assigned hereunder must meet all screening requirements as described in Section 1012.32, Florida Statutes. The results of all such background investigation and fingerprinting, and any updated information disclosing subsequent criminal activity, shall be immediately reported in writing to the Buyer who may refuse entry onto school property of any individual who does not meet the appropriate standard.

PUBLIC RECORDS. Seller shall comply with Florida's Public Records Law including:

- a) keeping and maintaining public records that ordinarily and necessarily would be required by the Buyer in order to perform the service;
- b) providing the public with access to public records on the same terms and conditions that the Buyer would provide the records and at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law;
- c) ensuring that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law; and
- d) meeting all requirements for retaining public records and transfer, at no cost, to the Buyer all public records in possession of Seller upon termination of the Agreement and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the Buyer in a format that is compatible with the information technology systems of the Buyer.

IF SELLER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES TO ITS DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT 941-927-4009, publicrecordrequest@sarasotacountyschools.net, THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA, 1960 LANDINGS BLVD., SARASOTA, FL 34231.

FASTENAL COMPANY

Print Name: *Robert L. Hopper*

Title: *Regional - VP*

R. Hopper

Signature

4/27/18

Date

**SCHOOL BOARD OF SARASOTA
COUNTY, FLORIDA**

Print Name:

Title:

Signature

Date

EXHIBIT #1 - LIST OF ONSITE STORE OPERATIONS

7889 Fruitville Rd., Sarasota, FL 34240

EXHIBIT #2 - STATEMENT OF WORK (S.O.W.)

Seller will provide the following:

- Provide Onsite staff at Buyer location the following hours: 7:00am – 4:30pm, Monday-Friday
- Dedicated inventory on consignment, Buyer will take possession of consigned inventory when product leaves the CAGE
- Onsite vending machines
- Install of secure cage, fence, cage door, and/or cage window to secure consigned inventory stocking area
- Appropriate racking, shelving, and bins within Onsite caged area to house Seller consigned inventory

Buyer will provide the following:

- Security code for gate access to Buyer facility
- Reasonable access and use of caged area during normal hours of operation
- Appropriate utility services (air conditioning, heat, electricity, telephones, fax, data, and internet access)
- Use of Buyer material handling equipment (pallet jacks, carts, dollies, forklifts, etc.)
- Fastenal delivery truck access to Buyer's Receiving Dock area during normal hours of operation
- Make Fastenal the primary vendor for pre-determined OEM, MRO and Indirect Supplies
- Work diligently and quickly to identify and add more OEM & MRO-type Indirect Products to the Fastenal Onsite; including, but not limited to: Fasteners, Safety, PPE, Welding, Metal Working, Hand Tools, Power Tools, Fittings, Shipping Supplies, etc.

EXHIBIT #3 – Discount Schedule for Catalog Items

Category	Discount
01-Fasteners	50%
01.5-Hardware	30%
02-Tools & Equipment	25%
01-Cordless Power Tools	20%
02-Corded Power Tools	20%
03-Safety	25%
05-Hand Protection	32%
04-Raw Materials	20%
05-Abrasives	25%
06-Welding	25%
07-Cutting Tools & Metalworking	25%
07.3-Plumbing	30%
07.5-HVAC	25%
01.5-Filters	35%
08-Hydraulics & Pneumatics	25%
08.3-Power Transmission & Motors	25%
08.5-Fleet & Automotive	25%
09-Electrical	25%
09.5-Lighting	30%
10-Janitorial	30%
03-Wiping Products	40%
05-Trash Cans and Liners	35%
11-Restroom Care	40%
11-Chemicals & Paints	25%
12-Material Handling, Storage, & Packaging	25%
12.5-Lifting and Rigging	30%

Contract Pricing Use Only

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