

[EXHIBIT G](#)

[Waxie Response to MRO RFP – Statement of Work \(excerpt\)](#)

RFP Document Technical Value Added Responses 4.3.3 A

Section 3 Statement of Work:

3.1 Minimum Specification for Response.

WAXIE has been the industry leader in the distribution of quality janitorial, sanitation supplies and equipment to the commercial, government, industrial, contractor and institutional markets in our geographic footprint for 69 years. Our subcontracting partner company Brighton Cromwell/Do It Best, a Do It Best Hardware affiliate, has been in business for over 69 years. WAXIE and Brighton Cromwell offer quality and innovative products, value-added services and systems that contribute to our customer's success through communication, education and training for our valued customers and employees. Our success is driven by our knowledgeable consultants (most have tenure in excess of 10 years), quality products, timely delivery and technical capabilities. WAXIE is one of the most technologically robust companies in our industry with a comprehensive e-commerce platform that includes EDI & punch-out capability as well as sophisticated routing software to reduce delivery costs.

WAXIE has been operating in the Colorado market for 14 years and qualifies as a Resident Bidder with locations in both Aurora and Colorado Springs. We have extensive experience in providing MRO type goods and services. In addition to various State entities, WAXIE counts the Jefferson County School District, Adams County School District 14 and Lockheed Martin Marietta amongst their customers for the last five years or more. WAXIE has all the required agency and system registrations required by this RFP.

WAXIE has 21 Regional Inventory Centers with more square footage than any of our competitors. Two of our Centers are located in the State of Colorado. Our Aurora location has 5,000 sq feet of office space and 55,375 sq feet of warehouse space. Our operation in Colorado Springs has 18,400 sq feet of warehouse space. Nearby locations will also provide support including Arizona, Utah, Nevada, Idaho and California. WAXIE combined has in excess of \$20 million in inventory accessible to the State and \$2.5 million stocked locally in Aurora. WAXIE's own fleet of delivery vehicles provides the ability to make deliveries as scheduled as well as in the event of an emergency.

WAXIE offers over 100,000 products in its online catalog. Regionally we offer over 1,100 WAXIE branded high quality products and over 3,500 nationally branded products. WAXIE is also the leader in green options for our clients. WAXIE provides consulting services which include forecasting techniques, training, LEED certification and product optimization amongst many others.

WAXIE's partner Brighton Cromwell/Do It Best Hardware offers roughly 75,000 standard MRO products with two day delivery. Regional distribution centers in Mesquite, NV (primary) and Waco, TX (secondary) provide complete coverage for Colorado. In addition there are 38 Do It Best local stores in Colorado. Initially 3 stores will be participating with others added to the contract as the contract details are worked out.

WAXIE prides itself on serving its customers through customized programs that meet their needs. To accomplish this WAXIE has numerous unique systems and programs to offer its customers, allowing us to provide Best in Class Service. WAXIE's Spend Management Program contains multiple elements that will benefit the State and its employees.

Elements of WAXIE's Spend Management Program

- Scheduled Deliveries – Results in a significant reduction in direct delivery resources (fuel, labor, trucks) and indirect benefits such as reduced traffic, labor and management.
- Full Life-Cycle Management – returns, repair and recycling of equipment.


- Right Order Size – Receiving only the right amount of product at the right times reduces inventory and waste. By having multiple locations use the same product users tend to not over order.
- Order Consolidation – We can offer a no minimum order size option and achieve low cost by consolidating orders throughout the ordering period (typically weekly or twice-weekly). Not only does this allow for multiple orders to be placed, but it also supports the option of modifying orders after placement but before shipment date. Ultimately this leads to a further reduction in the number of orders placed because an existing order can be added to, rather than create a separate order.
- Rental and Leasing Programs – The State can rent/lease floor machines, auto-scrubbers, carpet extractors, burnishers and wet/dry vacuums.
- Product Mix and Optimization – WAXIE offers customized training programs on-line, in our facilities and in person that can drive reductions in product and labor utilization. WAXIE utilizes innovated products, practices and product rationalization to drive product cost down. Product rationalization can be described as paring down items ordered to drive savings such as hands free products, right size can liners, etc. WAXIE utilizes a work loading program which enables product mix of equipment to drive cost savings by reducing labor costs and displaying return on investment.

Contract Compliance and Reporting – Contract Compliance/Measurement WAXIE's proactive approach to contract compliance and ongoing KPI (Key Performance Indicators) measurement reduces much of the customer burden of contract management. Our performance dashboard, focused account team, balanced scorecard and phased approach are some of the tools utilized. WAXIE utilizes a dashboard to follow the metrics that are agreed upon regarding financial success. The dashboard analyzes sales for month, order size, diversity sales, core vs. non-core spend, service level, fill rate and green spend. The dashboard is a visible scorecard that drives positive behavior for both the customer and our organization.

WAXIE shall provide monthly summary and detailed location level sales reporting to the State as needed per the contract reporting requirements. These reports will be automated and delivered to the State based on the agreed upon schedule. All ad-hoc (on demand) reports can be automated and delivered on a scheduled basis if they provide on-going benefits to the State. Ad-hoc reports will be delivered on demand as the State's date and reporting requirements change.

Below are examples of these capabilities.

Performance Metric Online Dashboard available to contract administrator and all customers.


Serving the Customer is the Focus of Everything We Do

DASHBOARD
SCORECARD
PROGRAMS

Sales Analysis

	Sales Amount	# of Orders	Avg Order Amt
Q1/2011	\$1,830,237.95	1693	\$1,081.06
Q2/2011	\$1,698,085.75	1529	\$1,110.59
Q3/2011	\$2,118,067.28	1941	\$1,091.22
Q4/2011	\$2,008,861.58	1782	\$1,127.31
Total: 2011	\$7,655,252.56	6945	\$1,102.27
Q1/2012	\$2,113,459.27	2014	\$1,049.38
Q2/2012	\$2,274,024.46	2017	\$1,127.43
Q3/2012	\$1,316,462.94	979	\$1,344.70
Total: 2012	\$5,703,946.67	5010	\$1,138.51

Savings Analysis

	CY Savings	PY Savings
Trade Discount Savings:	\$181,344	\$116,690

Order Analysis

	Fax	Phone	Web	Other Amt
Q1/2011	12.21%	8.39%	23.14%	56.27%
Q2/2011	11.59%	9.70%	24.40%	54.31%
Q3/2011	9.22%	10.23%	30.54%	50.01%
Q4/2011	7.14%	9.85%	43.12%	39.89%
Total: 2011	9.92%	9.57%	30.70%	49.81%
Q1/2012	3.57%	8.71%	44.87%	42.85%
Q2/2012	3.84%	8.48%	41.96%	45.73%
Q3/2012	6.02%	6.50%	44.01%	43.47%
Total: 2012	4.22%	8.12%	43.49%	44.16%

Service Analysis

	CY	PY
Q1	87.46%	87.74%
Q2	85.59%	85.31%
Q3	84.96%	86.31%
Q4		88.77%

Diversity Supplier Sales

Description	YTD Sales	CY % of Total	PY Sales	PY % of Total
Hubzone	\$147	0.00%	\$366.69	0.01%
Minority Owned	\$539	0.01%	\$1,033.76	0.02%
Small Business	\$950,745	18.04%	\$659,172.83	15.93%
Veteran Owned	\$415	0.01%	\$342.47	0.01%
Women Owned	\$429,865	8.15%	\$281,064.42	6.79%
Total	\$1,381,713	26.21%	\$941,980.17	22.77%

Fill Rate Analysis

	Core Items	Non-Core
Q1/2011	100.00%	95.04%
Q2/2011	100.00%	94.80%
Q3/2011	100.00%	94.09%
Q4/2011	100.00%	95.95%
Total for 2011	100.00%	94.99%
Q1/2012	100.00%	95.06%
Q2/2012	100.00%	94.74%
Q3/2012	100.00%	94.39%
Total for 2012	100.00%	94.78%

Core vs Non-Core Spend

	Q1	Q2	Q3	Q4
2012 Quarterly Breakdown				
Non-Core	100.00%	100.00%	100.00%	
2011 Quarterly Breakdown				
Non-Core	100.00%	100.00%	100.00%	100.00%

Green Analysis

CY % of Sales: 38.13% PY % of Sales: 37.49%

Year 2011 Quarterly Breakdown

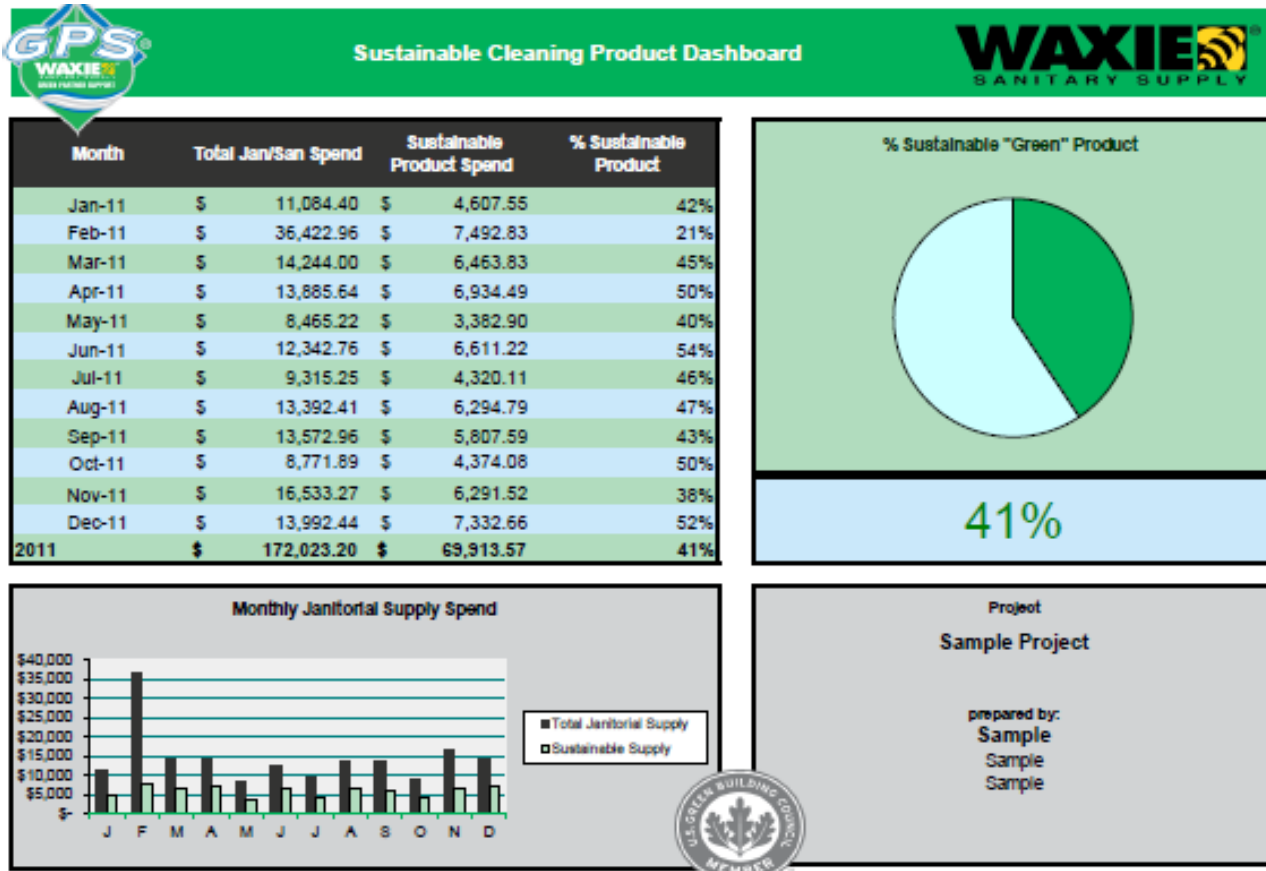
	Qtr 1	Qtr 2	Qtr 3	Qtr 4
GS	6.31%	7.98%	9.07%	6.12%
EC	8.55%	8.18%	8.22%	12.58%
EPA CPG	14.07%	13.03%	14.90%	15.54%
EPA DFE	0.08%	0.14%	0.07%	0.30%
CRI	0.71%	0.94%	0.67%	1.01%
SCS	0.28%	0.19%	0.25%	0.40%
EPP	10.54%	6.96%	1.89%	1.39%
Total:	40.53%	37.42%	35.06%	37.34%

Year 2012 Quarterly Breakdown

	Qtr 1	Qtr 2	Qtr 3	Qtr 4
GS	6.21%	7.78%	8.99%	
EC	15.48%	10.35%	12.75%	
EPA CPG	15.48%	13.78%	15.42%	
EPA DFE	0.11%	0.14%	0.10%	
CRI	1.96%	1.44%	2.71%	
SCS	0.24%	0.42%	0.37%	
EPP	0.96%	0.68%	0.41%	
Total:	40.43%	34.59%	40.75%	0.00%

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Sample Green Products Spend report.



* Tool for tracking cleaning product spend activity for projects pursuing LEED for Existing Buildings: Operations & Maintenance EQ Credit 3.3 and CIMS-GB certification

Financial Viability – WAXIE Sanitary Supply is an Arizona Corporation wholly owned by Charles and David Wax. The company has been in existence for 69 years and is considered the premier company of its type in the United States. WAXIE does not disclose financials to anyone other than our bank. However, we can provide comfort letters from our CPA and bank to satisfy this requirement. Upon request WAXIE Sanitary Supply will provide financial statements for review, accompanied by representatives from our banking and accounting partners to answer any questions you may have. The company has grown considerably through the years and now operates throughout the west in 11 states and ships worldwide. Sales in 2012 and 2013 exceeded \$400 million demonstrating a 17% growth year over year.

Green/Sustainability – WAXIE is the leader in the sanitary supply distribution industry and is heavily invested in an overall commitment to the environment while providing the largest number of Green Seal certified products available anywhere. We have the strongest and broadest environmentally friendly and third party certified green product offering available. WAXIE also brings the most knowledgeable and well trained consulting capacity of any facility supply company. We are proud to employ 14 LEED Accredited Professionals and 34 CIMS Certified Professionals on our staff. WAXIE has developed the “WAXIE-GREEN” line of products which include cleaning chemicals, sanitary paper, trash liners, and hand soaps. WAXIE provides a compelling combination of product innovation, performance, price and a more environmentally preferable profile. WAXIE Sanitary Supply distributes over 4,600 stocked products, and close to 20% of those products can be identified as either being third-party certified or having an environmentally preferable attribute. Many of these products contain post-consumer recycled content meeting EPA guidelines, contribute to water conservation (waterfree urinals), or help to divert waste from landfills (recycling containers).

WAXIE continually evaluates its product mix and has proactively converted products to a more environmentally preferable alternative while simultaneously phasing out the more “traditional” incumbent products. Our goal is to provide our customers with product options which can contribute to an effective green cleaning program and do not compromise on performance, health and safety, environmental impact or price. Historically WAXIE has achieved overall green spend on public sector GPO contracts in excess of 40% through focused sales efforts and incentives for customers to purchase green products. WAXIE has achieved green spend in excess of 80% at several customers that have focused their environmental services departments toward a complete green strategy.

Service Consistency – Globally WAXIE utilizes CRM (Customer Relationship Management) to measure touches (meetings, calls, service visits, deliveries, etc.) at a field level for each location. WAXIE also utilizes CRM to drive initiatives for each location that can be customized depending on the need of each customer. These initiatives include; new innovative product announcements, contract program changes, manufacturer special pricing programs and others.

Focus on Customer Service – WAXIE will designate a single point of contact (SPOC) for the State of Colorado. Sales Consultants, Sales Management, and General Manager will be onsite as often as required. Our Contract Compliance Director David Harrison will be available as necessary to ensure quality service and end-user satisfaction. The WAXIE Team will educate appropriate end user staff on best practices, industry innovation, and product applications. You will also have a Market Segment Specialist at our headquarters that will be responsible for administering pricing and performing account maintenance. WAXIE will tailor customer service support to meet each customer’s requirements.

Vendor Management Inventory/Customer Managed Inventory (VMI/CMI) program – An electronic process that is based on location level inventory which is conducted via hand held device and transmitted electronically for order processing, reporting and displaying inventory par levels ultimately reducing product size and displaying a cost savings. Depending on the customer’s environment this program can be managed by the customer or WAXIE.

WAXIE Deliver Clean Savings Program – The Deliver Clean Savings program is a cost savings program that includes Spend Management, Contract Compliance, Communication, Optimizing Product Mix, Production, Mechanization and Automation, as well as Service Consistency. Currently, the program has been implemented in a number of facilities and has resulted in significant savings. The program’s capabilities include identifying supply chain factors contributing to the total operational costs of our customers. Areas of emphasis include the following:

- Reducing risk
- Insurance cost
- Human resource cost, labor cost
- Worker safety and regulatory compliance
- Inventory efficiencies
- Labor inefficiencies
- Worker training
- Sustainability programs
- Product performance
- Worker compensation cost
- Supply chain inefficiencies

Please be aware that our cost saving initiatives are flexible and can be implemented based upon each customer’s desired prioritization. The program requires us to go and spend several days at a facility working with the staff. The information we gather is confidential.

Support Staff – WAXIE will provide a highly trained team of professionals to support the State and its employees. This team includes:

- Dedicated training and development team in WAXIE Denver and Colorado Springs Inventory Centers that can be deployed to customer locations to support a variety of training needs including use of products, energy efficiency, new features and opportunities. Topics determined by WAXIE and the State mutually.

- WAXIE Equipment and Chemical Specialists – Dedicated staff members to support, train and consult on cleaning procedures and efficiencies. The most comprehensive training and education program for staff that incorporates on the job training tools to support your green products and green cleaning procedures.
- Healthy High Performance Cleaning Program (HHPC) –Includes job performance checklists, HHPC procedures and training posters as well as onsite training from a HHPC professional.
- The State will have access to the WAXIE SPOC and designated backup, the Denver Sales Manager 24/7. Please note our buildings are open 24 hours a day Monday through Friday. An emergency plan is in place from 6:00AM Saturday till 6:00AM Monday. During this time we are on call to facilitate the delivery of necessary product to State personnel from Will Call at the WAXIE warehouses in an emergency.
- Complete analysis and consulting on all products used by the State to streamline, economize and suggest alternatives based on the emerging needs of the State. This includes, but is not limited to addressing sustainability, purchases from manufacturers, working with the disadvantaged business community, mutually devising programs with the State and addressing the most effective cleaning processes available from the industry.

3.2 Subcontracting/Partnering – WAXIE will be utilizing subcontractors in the performance of this contract. WAXIE will partner with Brighton Cromwell to provide statewide MRO fulfillment and retail locations in support of this contract. In addition, the following Do It Best locations will participate initially with more of the 38 Colorado locations joining during the award. WAXIE employs 52 full time workers in Colorado. By adding the Do It Best locations we believe the number of Colorado employees will grow to several hundred over the life of the contract. The list below shows those Do It Best locations that have agreed to participate at this time and the Do It Best locations that whose participation is pending approval. The list of locations is not exhaustive and will be expanded as new locations make themselves available for participation.

Brighton Cromwell
Glen Van Etten, Chief Operating Officer
Corporate Headquarters
111 Canfield Ave,
Building C-1-10
Randolph, NJ 07869
P 973.252.4100
F 973.252.6886

Employees in Colorado: 0

Participating Do IT Best locations:
Do It Best Hardware
Jordans Home Center
5000 Ward Rd, Wheat Ridge, CO 80033
(303) 421-1484

Employees in Colorado: 12
Facility Square Footage: 7000

Participation Pending

Adams Lumber Company

6720 S Jordan Road
Centennial, CO 80112

Tel: 303-699-7060

Meyer Hardware

1103 Arapahoe St.
Golden, CO 80401

Tel: 303-279-3393

Park Supply

411 S Highway 7
Estes Park, CO 80517

Tel: 970-586-6305

Bloedorn Lumber Building Mtrls

1810 W. Eisenhower Road
Loveland, CO 80539

Tel: 970-667-2971

Bloedorn Lumber Building Mtrls

130 State Street
Fort Morgan, CO 80701

Tel: 970-867-5646

Breckenridge Building Ctr, Inc

13445 Highway 9

Breckenridge, CO 80424

Tel: 970-453-2372

Hayden Industrial Hardware & Supply

1833 E Harmony Rd, Unit 1

Fort Collins, CO 80528

Tel: 970-568-8941

Mead Lumber

265 E Chestnut St

Sterling, CO 80751

Tel: 970-522-4466

Mr. T's Do it Best Hdwe & B/s

6300 County Road 335

New Castle, CO 81647

Tel: 970-984-2977

Jordan's Building Center

5000 Ward Road

Wheat Ridge, CO 80033

Tel: 303-421-1484

Table Mesa Do it Best

691 South Broadway

Boulder, CO 80305

Tel: 303-499-7211

Josephs' Hardware & Home Center

2160 W Drake Rd

Fort Collins, CO 80526

Tel: 970-493-8000

Timberline Builders Supply

209 Main Street

Walden, CO 80480

Tel: 970-723-4422

Northwest Ranch Supply Inc

100 Central Ave

Kremmling, CO 80459

Tel: 970-724-3550

Woodland Do it Best Hardware & Rental

100 Saddle Club Avenue

Woodland Park, CO 80863

Tel: 719-687-3031

Bloedorn Lumber Building Mtrls

1551 Stillwater Ave

Cheyenne, WY 82003

Tel: 307-632-0578

WAXIE and Brighton Cromwell have an ongoing business relationship and a contract in place to support our efforts on this RFP response. WAXIE is responsible for all invoicing to customers utilizing the contract resulting from this RFP. Brighton Cromwell will be paid based on our standard internal business accounting practices.

3.3 Service Regions – As indicated in Tab 1 Regions in Attachment 3, Vendor Response Worksheet, WAXIE intends to provide all MRO supplies and equipment to all 7 regions throughout the State.

3.4 Product Categories – WAXIE will be offering a proposal for Categories 1, 2, 3, 4, 5, 6, 7, 8 and 9. All products will be new in all categories. No repaired or refurbished products will be offered.

3.5 Ordering and Delivery – WAXIE has a very comprehensive order entry module that allows our customers to place orders in a number of different manners which include traditional methods such as talking with knowledgeable customer service representatives, placing orders via a fax order entry form, EDI and Web@Work to name a few. WAXIE current State of Colorado customers will continue to be able to use their online access to order goods and services. The RFP evaluation team may sample the functionality of our Web@Work ordering system by logging in at:

<http://online.WAXIE.com/storefrontB2BWEB/>

User Name is: 41892a

Password is: Welcome

In addition to our Web@Work platform all customers will be able to utilize WAXIE Integrated Supply's, our online B2B portal, for all MRO categories. RFP evaluators can experience all of the features of this new purchasing portal by visiting www.GOVBUY.com. Brighton Cromwell and WAXIE already provide hundreds of thousands of products to public sector purchasers through GOVBUY.com. Upon contract startup the WAXIE Integrated Supply ordering website will go live for all State of Colorado contract customers. RFP evaluators may visit the GOVBUY.com site using the following log in credentials:

Location www.GOVBUY.com

Email mrocolorado@gmail.com

Password is ColoradoColorado123

Please note that the pricing on GOVBUY.com is not the pricing for our RFP response.

WAXIE capabilities for electronic invoicing include traditional EDI, XML, flat file and email. Invoices sent via EDI, XML, and flat file can be custom tailored to meet the customer's requirements. Invoices sent via email will be a .pdf format of the WAXIE invoice and can be accompanied by the signed proof of delivery. WAXIE is capable of interfacing with ERP systems such as SAP, PeopleSoft, Scisquest, Ariba etc. Web@Work uses cXML language to create a punch-out catalog for seamless integration into the State's procurement system.

Least Cost Delivery – As mentioned above, WAXIE will work with the State to maximize ordering through quantities and frequency of delivery to reduce cost. WAXIE Sanitary Supply always seeks the lowest cost transportation method. In 96% of our sales freight is included so it is in our interest to use the lowest cost method. WAXIE ships product on four different modes; WAXIE truck (82%), UPS (15%), common carrier (2%) and courier (1%).

Customers requiring specialized delivery options can receive product at their designated receiving area as long as the area is adequate in space and location to receive the materials ordered, there is an authorized person available to receive and sign for all goods delivered. WAXIE will consider further customizations including inside delivery, drop off to secured/locked locations and other methods based on mutual assent of the customer and WAXIE. As an example WAXIE delivers to locked storage shed in state Department of Transportation rest areas in several states. This allows for timely delivery of supplies on a trusted basis without the necessity of a Department of Transportation employee present. WAXIE welcomes these types of customized delivery arrangements to help service the customer's needs.

Inside building delivery to departments, reception areas and other work areas is permitted as long as the areas have the necessary space to deliver, have adequate safety equipment in the event hazardous materials or ORMD products are being delivered and do not require delivery up or down stairs.

Stock Products – Pricing is being offered for stock products that is fixed from the start date of the contract and valid for one year. The pricing offered is a ceiling price and WAXIE will work with customers that can do the following to reduce the price for the most frequently purchased products.

- a) Schedule Delivery to maximize labor and capital utilization for both parties.
- b) Consolidate orders to increase order size and minimize transits.
- c) Order in bulk or truck load quantities.

Special Order Products – WAXIE will assist customers with special order needs following the discount by item type. Additional charges for delivery will only be passed through when they are actual and quantifiable and outside the normal charges from the manufacturer.

On-time delivery – WAXIE prides itself on providing deliveries the next scheduled delivery day for orders received by 4:00 PM, within WAXIE's vehicle delivery area, unless shipped UPS which will deliver second-day. Shipment of special order items will be next scheduled delivery day upon receipt of the product at the WAXIE warehouse. All freight is FOB destination in the State of Colorado. As mentioned above WAXIE has two warehouse locations, one in Aurora and one in Colorado Springs to service the State.

Returns – There is no charge for return of stock items and the State will receive a full credit for products in unopened packaging that can be sold as new merchandise, while the product is still active, has not undergone significant label changes and for chemicals that have not reached their expiration date. For non-stock returns products must be eligible for return to the manufacturer and there will be a 20% restocking charge after 30 days and 25% restocking charge on parts.

Section Recap – WAXIE will provide a contract web page on our website www.WAXIE.com for the State of Colorado contract with links to our seminars, ordering systems, green consulting programs, product information and safety data sheet (SDS) information.

WAXIE shall make available an online catalog to allow authorized users to make purchases from this contract. WAXIE's subcontractor shall have a secured website for placing online orders through our WAXIE Integrated Supply website. The features and functions of any online ordering catalog that is created for use by the State under this contract shall include but shall not be limited to the following:

- Access by standard web browsers – *WAXIE Web@Work is accessible through all standard web browsers including Internet Explorer, Firefox and Safari.*
- Product information such as unit of measure, item status, price, description, photos, SDS sheets, detailed product information, suggested alternate or replacement items, etc. – *All product information is visible on the Product Detail Page.*
- Item status inquiry functionality that provides stock availability – *Stock availability is displayed for each item based upon the appropriate WAXIE warehouse.*
- Customers ordering program may include custom shopping lists, ability to have multiple order approval levels and budget control by month or order.
- Order tracking – *Order status is displayed for each order including Entry Date, Estimated Ship Date, Ship Confirmation Date, UPS Tracking Number if applicable, Invoice Number, Invoice Date and Invoice Amount. Email confirmations are also available.*
- Accounts Receivable information, open invoices, paid invoices with detailed payment history. *All are available through WAXIE Web@Work and WAXIE Integrated Supply ordering systems.*
- Help functionality – *WAXIE Web@Work is supported via "support@WAXIE.com".*
- Reflect current catalog/price list and contract pricing – *All items will display the current State pricing.*
- Restricted to only those items that may be purchased under this contract by being identified as core items or are within the general product categories establish by this contract – *All items on the State contract will display an "NPL" icon to the left of the item indicating it is a core item. Product ordering can be restricted to only the core items. There is also the ability to utilize general ledger numbers for each item.*
- Shall not include any items that are specifically excluded from these contract. *Items outside of the contract will be displayed but will not be accessible to purchase due to the core item restriction.*
- Timeframe – *The "online catalog" capability shall be functional within the first thirty days of the notice of award date. WAXIE Web@Work is currently functional and already in use. New users can be established within the timeframe given.*
- Cost – *The cost associated with the seller's set-up, maintenance and support shall be borne by the Seller. WAXIE Web@Work is provided at no cost to the State.*
- Use of P-card/ACH/EFT – *use of electronic and paperless forms of financial transactions reduces unnecessary printing, mailing and processing. – WAXIE accepts Visa, Master Card, American Express and Discover p-cards and credit cards at the time of purchase only. Statements may not be paid by credit card.*
- Customers will receive contract pricing whenever they are making in store purchases by referencing their account number at the time of purchase. *Each account is linked to an internal contract code. For state employee purchases WAXIE will establish an account tied directly to the state contract code in our system.*

3.6 Environmentally Preferable Purchasing – WAXIE has reviewed the (EPP) and supports the policy. Green products are identified in our online and paper catalogs by printing the product name in green. Product descriptions will include the type of certification (ie EPA, Green Seal, etc). Our catalogs also include a green section which includes green offerings in all available categories.

WAXIE Sanitary Supply is committed to being a leader in promotion of responsible business practices that support sustainable communities that are environmentally responsible, economically prosperous, and healthy places in which to live and work. Sustainability has emerged as a global theme of the 21st century. It is a concept that balances the interconnectedness of the environment, the economy and our quality of life and that recognizes the importance of our stewardship over each. WAXIE shares the goal of establishing partnerships to advance education, communication, business best practices, policies, research, technologies and programs to support a more sustainable world for all generations. WAXIE's commitment to sustainability and green cleaning is

demonstrated by a number of company actions that follow the prescriptions of the State of Colorado Environmentally Preferable Purchasing Policy.

A. Source and Waste Reduction

- a) WAXIE Desk Calendars and Product Catalogs and product literature printed with postconsumer recycled content using soy based inks; green section of catalog and website developed to provide customer education and promote green purchasing.
- b) Delivery routes planned with routing software that minimizes travel time resulting in less fuel consumption and vehicle emissions. WAXIE also employs two hybrid delivery trucks for some routes to further decrease fuel consumption and vehicle emissions.
- c) Recycling and waste diversion program for corrugated, shrink wrap, pallets, as well as other ongoing consumables, durable goods and facility alterations. Recycling programs for each Inventory Center to divert waste from the landfills. Water conserving retrofits for each Inventory Center to conserve water.
- d) Products sourced from local vendors and warehouses whenever possible to minimize shipping costs and impacts.

B. Reduction of Toxic Elements, Energy Consumption, Generated Emissions, Pollution, and Waste

- a) GREEN Cleaning Policy, Recycling Policy, and water conserving devices installed in restrooms.
- b) Video conferencing technology utilized to decrease need for face-to-face meetings.
- c) Solar panels have been installed in both Santa Ana Inventory Center, and the San Diego Corporate headquarters.
- d) Web@Work e-Commerce platform and e-Invoicing promoted to minimize paper usage.
- e) RF technology utilized for inventory control to minimize paper usage.
- f) Hand held devices signatures for Proof of Delivery are used to minimize paper and speed invoicing.

C. Recycled Content Products

- a) WAXIE has added a complete line of plastic can liners with 10% Post Consumer. Recycled Content (PCRC) and up to 75% Post Industrial Recycled Content (PIRC).
- b) Heritage Bag Company offers 10% PCRC in all low density liners thicker than 0.7ML.
- c) Americo offers floor pads and hand pads with 75% PCRC.
- d) 3M now offers Scotchbrite Floor Pads with a minimum of 30% PCRC.
- e) All WAXIE branded aerosols are made with 100% recyclable steel.
- f) WAXIE Sanitary Supply vendors are required to package their goods in materials that meet the 2007 Comprehensive Procurement Guidelines. All WAXIE branded products are packaged in materials that are made from 100% PCRC. All WAXIE labels are made from non toxic ink, all WAXIE product literature and that of most of our vendor partners apply the same rules to their packaging and literature.

D. Energy and Water Saving Products

- a) WAXIE is a leader in the provision of water saving retrofit products including waterless urinals, auto flush urinals, automated faucets and automated soap dispensers.
- b) WAXIE provides lighting lamps including a large assortment of LED products. In addition WAXIE provides LED retrofit services. All of WAXIE's owned facilities have been equipped with LED lighting.

E. Green Building – New Construction, Renovations, Operations and Maintenance

- a) WAXIE's newest inventory centers in Mesa, AZ and Salt Lake City, UT are both LEED Silver Certified and WAXIE's Livermore CA is in the process of acquiring LEED Silver certification after extensive renovations and expansions. WAXIE's building policy for all future owned buildings is to achieve a minimum of LEED Silver Certification.
- b) WAXIE is beginning to acquire trucks in the Los Angeles market that are CNG powered to reduce emissions. As fueling stations proliferate more trucks will be added.
- c) In 2010 we went green in our data center and virtualized our server and data environments. The number of physical servers in San Diego dropped from 25 down to five. We repurposed three of

the servers to Mesa for DR (disaster recovery) purposes rather than buying new machines. This project achieved many benefits for us which are highlighted below.

- i. Reduction in electrical consumption of our physical servers.
- ii. Reduction of cooling requirements needed for the data center.
- iii. Very big time savings in managing existing applications/users as this is now centralized.
- iv. Much easier to implement new applications and products.
- v. Decreased physical space requirements for our data center by two thirds (70%).

F. Landscaping and Xeriscaping – WAXIE’s LEED Silver Certified buildings are Xeriscaped.

G. Forest Conservation – Several of WAXIE’s paper manufacturers and particularly Kimberly Clark provide the majority of their products from FSC Certified forests.

H. Agricultural and Bio-based products – WAXIE has developed several bio-based products for sale primarily to the federal government due to federal requirements. Those products are offered under our response and are labeled as meeting the requirements to be identified as bio-based.

Additional Market Initiatives in support of Sustainability:

WAXIE is a member of the U.S Green Building Council (GBC) – with two company buildings earning LEED Silver certification.

A WAXIE employee sits on the Board of Directors for the San Diego chapter of USGBC, and serves as the chapter’s Immediate Past President and point of contact for LEED EBOM.

A significant portion of the sales team has been trained to support customer environmental initiatives, 34 CIMS-GB ISSA Certification Experts, 12 LEED AP O+M’s and 2 LEED GA’s out of a total of 200 on sales team.

WAXIE is a charter signatory of the San Diego Regional Sustainability Partnership (www.sdrsp.org).

WAXIE has a broad selection of environmentally preferable products (including numerous WAXIE private labeled cleaning products) that have received certifications from Green Seal, EcoLogo and Scientific Certification Systems, or have been formulated in partnership with EPA Design for the Environment (DfE).

WAXIE has developed Green Partner Support™ (GPS®) to assist green committed end-user customers implement more effective green cleaning programs. Please see [WAXIE GPS® Catalog](#), [WAXIE GPS Building View](#) and [WAXIE GPS Overview](#) for more information.

WAXIE was on Technical Committees for development of ISSA Cleaning Industry Management Standard (CIMS and CIMS-GB), a participating stakeholder in the Standard Development Team for the Green Seal “Green Cleaning Services Standard” (GS-42) and revision of Industrial and Institutional Cleaners (GS-37).

WAXIE has conducted numerous “Green Cleaning Seminars” at WAXIE branches in San Diego, Santa Ana, Ontario, Los Angeles, San Francisco, Tempe, Tucson, Las Vegas, Salt Lake City, Portland, Seattle and Denver. Please see <http://info.WAXIE.com/events/WAXIE-arizona-events/> for a sample schedule.

WAXIE representatives have been asked to speak at functions for organizations such as USGBC, BOMA, IFMA, PABSCO, ISSA, SCSSA, SDEP, HPSI and CURB on the subjects of green cleaning, LEED or sustainability.

WAXIE consultants have assisted with green cleaning needs of several LEED projects.

These company actions combined meet and exceed the requirements of State of Colorado Environmentally Purchasing Policy.

3.7 Points of Contact and Hours of Operation – As mentioned above on page five, WAXIE will designate a single point of contact (SPOC) for the State of Colorado. Sales Consultants, Sales Management, and General Manager will be onsite as often as required. Our Contract Compliance Director David Harrison will be available as necessary to ensure quality service and end-user satisfaction. The WAXIE Team will educate appropriate end user staff on best practices, industry innovation, and product applications. You will also have a Market Segment Specialist at our headquarters that will be responsible for administering pricing and performing account maintenance. WAXIE will tailor customer service support to meet each customer’s requirements. The Corporate Account Director and Denver Sales Manager are available 24/7 as your emergency contacts. Customer Service and the Account Administrator are available Monday through Friday 8:00 a.m. to 5:00 p.m. Mountain Time. Your contacts are as follows:

Single Point of Contact – Michael Muscara, Corporate Account Director (480) 213-1709 mmuscara@WAXIE.com available 24/7.

Emergency Contact Backup – Dan Bauer, Sales Manager Denver (303) 886-1934 dbauer@WAXIE.com available 24/7.

Kendra Montoya – Customer Service, Monday – Friday 8am – 5pm (720) 216-6600 ext 222 kmontoya@WAXIE.com.

Amanda Mascarenas – Account Admin, Monday – Friday 8am – 5pm (720) 216-6600 ext 410 amascarenas@WAXIE.com.

Aldo Preciado – Market Segment Specialist Monday – Friday 8am – 5pm Pacific (858) 292-8384 ext.649 apreciado@WAXIE.com.

Equipment Service and Repair – Jared College – Service Center Manager (720) 216-6601 ext 370 jcollege@WAXIE.com.

EMERGENCY RESPONSE TEAM

Michael Muscara – Listed above.

Dan Bauer – Listed above.

Operations – Authorized to open, order, pull and deliver merchandise in case of an emergency.

Mike Midas, General Manager (971) 533-5800
 Tiffany Simmons, Operations Manager (303) 859-2081
 Severo Rivera, Warehouse Manager (303) 565-6212

3.8 Transition Plan

Transition Activity	Contract Start Date	Within 30 Days of Award	Within 60 Days of Award	Within 90 Days of Award
Award received				
Meeting with State Procurement Office	Prior to Start Date			
Meetings with major state agencies		Yes		
Pricing available	Prior to award			
Electronic Price Spreadsheets sent to current users	Day One			
Electronic Catalog available to all	Day One			

current users				
Program Highlights & Price Spreadsheets sent to all non-participating State Purchasing Cooperative members	Day One for all current clients	For all new customers		
Posting of contract highlights & .pdf of pricing on WAXIE Sanitary Supply website contact page	Day One			
Contract roll out event at WAXIE or SPO		At SPO's convenience		
Site visits to all state agency customers to introduce WAXIE and conduct facility survey.			Completed	
Site visits with all participating State Purchasing Cooperative members		Starts upon notice of award completed within thirty days		
Requests for meetings with all non-participating State Purchasing Cooperative members	Requests will be communicated the first day of the contract		Meetings will be completed within 60 days	
Online dashboards revised & available		From Day 1		
First customer satisfaction surveys conducted				On the ninetieth day surveys will be sent to all eligible entities
First quarterly volume & environmental reports complete				Within thirty days of the end of the first contract quarter

3.9 Employee Purchase Program – WAXIE will provide an Employee Purchase Program. Any State of Colorado employee with valid state employment ID may purchase product at WAXIE Sanitary Supply will call locations in Colorado for cash, or on credit card, at the State of Colorado contract price. All sales must be from current stock, no special orders. All sales must be for personal, noncommercial use, and paid for by the State Employee only. Sales are limited to a maximum of \$250.00 per transaction for cleaning products to assure non-commercial use or resale. Equipment valued at up to \$1,500.00 may be purchased. WAXIE reserves the right to limit these sales if we suspect they are being used for commercial resale.

3.10 Value-Added or Optional Programs – As mentioned above on page one, WAXIE will offer many value-added programs to the State of Colorado, including numerous spend management elements as well as sustainability programs such as WAXIE GPS, WAXIE Deliver Clean Savings, WAXIE Online Training and others, all available to contract participants.

In addition to the programs above WAXIE is offering the following contract specific pricing programs:

- a) Full truckload quantity pricing: WAXIE is offering an additional discount for all purchases of full truck quantities. Truckload quantities are based solely on manufacturer's truckload standards. Additional discounts will be negotiated with each manufacturer. Customer must agree to take shipment directly from manufacturer. This discount will be a minimum of 5% off the contract

- price. No other discounts will apply. Actual pricing for the product will be negotiated with the manufacturer at the time of sale to take advantage of the seasonal and other market fluctuations.
- b) WAXIE-GREEN Chemical Discount: Customers committing to buying WAXIE-GREEN cleaning chemicals and floor care products as a complete program for cleaning, hard floor care, carpet care and restroom care will receive an extra 5% off WAXIE-GREEN chemicals. Participating customers will have their prices for WAXIE branded products automatically reduced in our system based on their customer number. WAXIE can add customer specific pricing to a customer that is below their contract code.
 - c) WAXIE Sustainable Supply Chain Discount Program: Customers are urged to do everything they can to minimize the impact on the environment as part of this program. To qualify a customer must order electronically, receive invoices electronically, pay invoices electronically, schedule deliveries to maximize order cycle and inventory efficiencies. Customers that meet these criteria will receive an additional 3% off all JANSAN contract prices.

3.11 Administration of Resulting Contract

Reporting – WAXIE currently provides the Summary Quarterly Volume Report (Exhibit D) to the State based on current sales activity. A copy is attached at the end of this document. All data is collected from our ordering system which is instantly updated. Reports can be scheduled to deliver at a specific time or can be ad-hoc. Reporting and invoicing can be sent to a central State-wide endpoint or can be dispersed individually by Division or Department.

WAXIE can provide detailed monthly sales data by customer and ship to location including all data collected in the order to fulfillment process. WAXIE can create a customized program for the State or provide the State with an online metrics dashboard that summarizes data and provides an easily downloadable Excel file with all contract sales data on a line item basis. Some of the key indicators reportable are service levels, fill rates, green analysis, order analysis, sales analysis and diversity supplier sales.

WAXIE proposes a formal quarterly contract performance meeting with the State of Colorado Contract Administrator. We urge the State of Colorado Contract Administrator to invite one or more contract users or eligible customers not using the contract to participate in these quarterly contract performance meetings.

In addition WAXIE provides State Administrators a view only customer account so they can see contract pricing in our system at any time. This allows the State to perform a pricing audit at anytime. The State Administrator can request access to any State account using WAXIE's Web@Work internet ordering system to monitor pricing and discount compliance.

Administrative Fee – WAXIE acknowledges this fee and pricing has taken this into consideration.

Contract Term – WAXIE acknowledges the initial term and renewal options.

Confidential and/or Sensitive Information – WAXIE accepts responsibility for handling of such information.

Point of Contact After Award – WAXIE understands this requirement and has provided names and contact information above. The single point of contact for all contract business is Michael Muscara, Corporate Account Director, available at (480) 213-1709 or mmuscara@WAXIE.com.

3.12 Cost Proposal-Pricing – Pricing and category discount information have been included in this proposal per Section 4.3. Pricing includes delivery, shipping, service costs, training, consulting services as well as the Administrative Fee addressed in Section 3.11.

Price Increases – WAXIE is in agreement with all aspects of the RFP requirements for price increases.

MSRP Pricing or List Pricing – WAXIE utilizes the manufacturers current list price for all manufacturers that publish a single national list price. WAXIE establishes a list price for all manufacturers that do not publish a single national list price as well as for all WAXIE branded products. WAXIE produces monthly Price Pages for all items

stocked in all Inventory Centers. WAXIE’s prices for this RFP response are based on the WAXIE published Price Pages for May 2014.

Price Decreases – WAXIE shall pass along all manufacturer’s price decreases immediately to Ordering Entities.

Vendor Discount Structure and Market Basket Pricing – WAXIE is offering a complete catalog for all categories that is based on the minimum discount by category. Each line item in each category will be priced at or below the category discount. This assures that customers will receive an aggressive contract price regardless of whether they choose one of the Market Basket products or a product from outside the Market Basket. This strategy also assure that customers are not penalized if moving from one product group or manufacturer to another.

Pricing Issues

There are several categories where additional discounting is available if the State of Colorado can agree to further divide the categories to take advantage variances in price structure. For example in these categories there is room for adjustment.

Our Category	Contract Category	Discount Provide	Possible Discount	Improvement for Separating
Batteries and Flashlights	General	11.00%	17.00%	6.00%
Fasteners	General	11.00%	15.00%	4.00%
Hand Tools	Hand Tools, Power Tools, and Accessories	11.00%	19.00%	8.00%

During our review and subsequent pricing and cross referencing of the State of Colorado MRO program Market Basket, we identified a number of areas where a clean distributor cross reference was difficult. While the items contained in the Market Basket were listed by manufacturer and manufacturer part number a significant number of the items are actually Grainger “branded” parts. Much like the store brands in the grocery industry these brand names are produced for Grainger and are only available from Grainger locations. The Dayton Motor brand may be the best example. All but 9 of the “Motors and Accessories” subset of the “General” tab were Dayton products. The use of branded lines with limited cross reference or technical data available makes identifying more cost effective alternates at times impossible.

For reference, below are the Grainger brands identified as manufacturers in the Market Basket.

- Air Handler
- Westward
- Power First
- Dayton
- Tough Guy
- Speedaire
- Condor
- Battalion

Non Market Basket Discount Structure – WAXIE agrees and has provided a NON Market Basket Discount structure that is inclusive of all charges. All products offered with the exception of some special order items are FOB any customer location in the State of Colorado.

Market Basket Pricing has been completed on the appropriate contract forms.

---end excerpt---