

EXHIBIT G

Graybar Electric Company, Inc.

Response to RFP-CM-15-001

Facilities Maintenance, Repairs and Operations (MRO) – *with Clarifications*

Section 3.1 *Minimum Specification for Response.* *Vendor must demonstrate its ability to perform according to the terms of this RFP. Vendors must have experience for a minimum of two years in providing these types of commodities.*

Throughout our history, Graybar has managed many MRO needs for federal, state and local government entities including education agencies. Graybar has a long and strong record serving customers for more than 140 years. Corporately, we have processes in place accounting for the needs of our federal and local government customers to insure compliance with contractual obligations. We have a 16 year history as the awarded supplier for electrical and lighting with the County of Los Angeles. Locally, we have long standing relationships with City and County of Denver, Colorado State University and University of Colorado. Other examples include our federal sales through the GSA program and sales to US Dept. of Defense through our Defense Logistics Contracts (DLA). Graybar is also a long standing member of the National Institute of Governmental Purchasing (NIGP) Business Council. **NIGP's Business Council** is comprised of representatives from select companies participating in the Institute's Enterprise Sponsor Program.

Section 3.2 *Subcontracting/Partnering.* *Subcontracting and/or partnering is allowed so that a Vendor can engage subcontractor(s) to provide goods and services which can expand the service coverage area.*

Graybar will not be partnering or subcontracting with other vendors for this contact, at this time.

Section 3.3 *Service Regions.* *There are seven (7) regions throughout the State that may receive supplies. A Vendor may submit a proposal for one of more of the seven (7) regions noted below. A Vendor must provide MRO supplies and equipment to ALL counties within a specific region.*

Graybar is submitting a proposal for the following regions:

- Region 1 (Denver Metro Area)**
- Region 2 (South Central)**
- Region 3 (North Central).**

Section 3.4 *Product Categories.* *This RFP includes nine (9) product categories within the "umbrella category" of MRO supplies and equipment for facilities. A Vendor may submit a proposal for one or more of the nine (9) categories noted below.*

Graybar is submitting a proposal for the following product categories: 2 (Hand tools, Power Tools, and Accessories), 3 (Lamps, Ballast and Fixtures), and 4 (Electrical).

Section 3.5 *Ordering and Delivery.*

Ordering: *The State desires to purchase MRO Supplies and Equipment through various methods such as via telephone, email, FAX, on-line, or in-store with various delivery options. Vendors shall detail in their proposal how customers will be able to receive contract pricing when making in-store purchases. Vendors are expected to have an established business process to enable Ordering Entities to easily set up an account. Preference may be given for Vendors who can offer the ability to set up and maintain internally hosted catalogs (i.e. list of items and unit pricing) and/or punch-out catalogs. The State has the right to implement catalogs in a phased approach. While Ordering Entities are encouraged to use a Vendor's electronic or telephonic ordering methods to reduce visits to the Vendor's stores; the final choice is a business decision by the Ordering Entity. The Vendor is expected to accept payment with procurement cards (credit cards) for orders in addition to other payment methods such as issued checks and/or electronic funds transfers (EFT).*

Graybar prefers orders be placed via email.

EMAIL: Terry Mayhue (theresa.mayhue@graybar.com), Denver Metro and North Central
Ken Kusluch (ken.kuslusch@graybar.com) South Central

Graybar will also accept orders via the following methods:

On-Line Ordering: Graybar has an online catalog, ShopGraybar (<https://shop.graybar.com/>). This web based system is available 24/7, 365 days a year, and is updated in real time to reflect most current product, pricing, and availability information. In addition, it has the following functionality: Customer-specific pricing; Customer-specific product availability; Order status; View/print invoices; Quotations – create, review, order; Favorites lists; Proof of delivery; Order approvals; Detailed product information; Item comparison; Extensive search functions; and User security to restrict access to specific functions.

Phone: Terry Mayhue (303-480-3036), Denver Metro and North Central
Ken Kusluch (719-380-4511), South Central

FAX: 303-477-1582, Denver Metro and North Central
719-596-6357, South Central

In Store: Denver, 1375 W. 47th Ave, Denver, CO, 80211
Aurora, 14603 E Moncrieff PL STE 200, 80011
Colorado Springs, 4635 Galley Rd, 80915

Stock and Special Order Products: The State desires to contract Vendors who can satisfy the State's MRO needs with exceptional, pricing and customer service. Product pricing shall be set for a defined period of time and at "ceiling pricing" for a single unit. Factors such as quantity, frequency of orders, or vendor offered promotions may enable further discounts to pricing and would be negotiated with the Ordering Entity at the time the order is placed.

Graybar will establish a price hierarchy for the State of Colorado that will apply to all purchasing entities. All customers that have previously been set-up with Graybar will automatically be switched to the new pricing hierarchy. When a new governmental customer would like to be set-up to purchase from Graybar they will be required to fill out an account application. (Please note: non-profit organizations are required to complete a credit application.) Once the new customer has been approved the price hierarchy will be applied to their account.

Stock Products: There shall be no additional cost for delivery, return, or any other services for stock goods.

Graybar is the country's leading distributor of and electrical supplies. We have a network of strategically located facilities across the U.S. to support any warehouse and logistics requirements our customer's may need. We can stock the MRO supplies needed for this RFP within these Colorado based branches as well as use our national footprint facilities as backup for the items stocked in our Colorado sites. It is also an advantage as we can source stocked and non-stocked items from manufacturing facilities across the country. Graybar has 3 locations in Colorado (Denver, Aurora, and Colorado Springs) with 145 employees.

The local representative is not just an order taker, but is an expert in electrical, lighting, and tools that can assist the State of Colorado with manufacturer and product selection; your Graybar representative will also have a network of inside sales representatives and customer service representatives specifically within the state as part of the team servicing the State of Colorado's business with Graybar. In addition, this team will have access to our network of branches, warehouses, personnel and inventory of our 250 + locations across the U.S. Our service team consisting of an outside sales representative, inside support personnel and a management team at the servicing location are in place to ensure we fulfill your service requirements in compliance with the agreed upon contract.

Special Orders: Special ordered goods may incur additional costs which the Vendor must disclose at the time the order is placed and agreed to by the Ordering Entity.

Graybar can source stocked and non-stocked items from manufacturing facilities across the country. Graybar can source non-stock material from suppliers and will provide the following information on the customer's quote: lead time, freight charges, minimum order fees, and package quantities.

Return Policy. Graybar is required to handle and issue credit for return material in an expeditious manner. Active inventory material return transactions shall be completed within a 5-day turn-around. Slower moving material return transactions shall be handled in an expeditious manner and the Ordering Entities shall be

notified within 5 working days of the disposition status. There is no restocking fee for any normally stocked material that is returned unused and in resalable condition. Any specially ordered or manufactured product made specifically for the Ordering Entity would be subject to the manufacturers' restocking policy. Graybar will accept returns and issue credit based on the following conditions:

Return of stock products:

- No product can be returned without a return material authorization (RMA). *Customer must contact the Graybar branch the material was ordered from to request a material authorization.*
- Credit will be issued on returns at prices billed on original invoices.
- Returned products must be in resalable condition and in original packaging. Products will be accepted and credit will be issued within 5 working days.
- Material must be returned within 60 days of purchase.

Return of non-stock products:

- No product can be returned without a return material authorization (RMA). Buyer will be notified of any restocking charge prior to returning to manufacturer. If return is not due to an error of Seller or manufacturer. Products should be held by Buyer until receipt of RMA from Seller, whenever possible.
- Credit will be issued within 5 days of receipt of returned products from Buyer, less any applicable freight and restocking charges. All products must be in resalable condition and in the original carton.
- In instances where a non-stock return is caused by a Seller error, all re-stocking charges are waived and credit will be issued within five working days of receipt.

Section 3.6 Environmentally Preferable Purchasing. *Vendors are to review the State's Environmentally Preferable Purchasing (EPP) Policy, Exhibit E. The Vendor is expected to provide a solution that supports the State's EPP Policy, identifies and provides Green products in addition to its standard inventory. "Green" is determined by third party certification or registration (no self-certification), such as industry accepted entities like Energy Star, LEED, EPA, Green Seal, etc. The Vendor shall describe in detail how its company supports the State's EPP Policy.*

Graybar's commitment to sustainability is an expression of our Company's core values, particularly our long-term view. We believe that long-term success is more important than short-term gains; this belief influences all aspects of our business. As we strive to keep our Company strong and healthy for future generations, we shall also do our part to preserve our environment. We feel that we have implemented internal policies that coincide perfectly with the state's Environmental Preferable Purchasing Policy. Below are sections of our Sustainability Policy that fit perfectly with your policy. Providing sustainable solutions in the marketplace:

Offer products and services that effectively support our customers' sustainability initiatives. These products and services may reduce energy usage, emissions, and waste; support future adherence to reduced hazardous substances; and provide alternative sources of energy.

Products

- Lighting and lighting controls
- Power metering and management, power distribution and control
- Thermal and airflow management
- Alternative and renewable energy
- Products that are recyclable, made of recycled materials, or designed for reuse

Services

- Recycling programs for lamps, ballasts, and batteries
- Recycling of packaging materials
- Energy audits
- Wire mesh containers to eliminate packaging waste
- Wire and cable management services to eliminate waste, surplus, and damaged inventory
- Electronic commerce services to reduce costs associated with printing and recycling.

Collaborate with suppliers to identify and provide new products and services that our mutual customers need to satisfy their sustainability initiatives.

Employ knowledgeable and experienced technical specialists to recommend energy efficient solutions.

Section 3.7 Points of Contact and Hours of Operation

Point of Contact- Contract: *Vendor will designate a single representative to serve as the central point of contact for the State account. At a minimum, the Vendor's contact person must be available Monday-Friday, 8 a.m. to 5 p.m. (MT). The Vendor shall provide contract representative's name, title, phone number, and email address.*

Jonathan Huelskoetter, Outside Sales Representative, 303-513-3482, M-F/0800-1700
Jonathan.Huelskoetter@Graybar.com

Point of Contact- Services: *Vendor will designate a single representative to serve as the central point of contact for day-to-day customer services. This person is responsible for the overall relationship between Vendor (and its subcontractors, if applicable) and the State, and may be involved in high-level activities, such as account reviews. At a minimum, the Vendor's contact person must be available Monday-Friday, 8 a.m. to 5 p.m. (MT). The Vendor shall provide services contact representative's name, title, phone number, and email address.*

Ms. Terry Mayhue, Customer Service Representative, 303-480-3036, Denver Metro and North Central
Theresa.Mayhue@Graybar.com
M-F/0700-1600 (After 4 pm, call central phone at 719-592-7203.)

Hours of Operation: *At a minimum, Vendor services are expected to be provided during the following work hours: Monday through Friday, 8:00 a.m. to 5:00 p.m. (Mountain Time). It is preferable the Vendor have a 24 hour a day/ 7 days a week ("24/7") emergency contact number. Answering services, pagers and/or answering machines are not an acceptable means of communication for awarded Vendors. The Vendor shall describe in detail its solution for optimal customer access.*

Graybar's office hours are 7 a.m. to 5 p.m. (MT) Monday thru Friday. We also have will-call and counter operations that are open from 6:30 a.m. to 4:30 p.m. Monday thru Friday. Customers will be able to call the office and place the order and Graybar will deliver the material or the customer can also pick-up the material.

Graybar has an emergency phone number (Denver - 720-320-2311, Aurora - 303-242-9693, and Colorado Springs - 719-491-3717) that is maintained 24/7 by warehouse personnel and a sales representative.

Section 3.8 Transition Plan. *Many Ordering Entities using current price agreements will have to transition from their current accounts to the new Vendors awarded as a result of this RFP. The Vendor shall describe in detail how its company will handle the transition from existing agreements (i.e. new account set-up, transfer of existing accounts, etc.) and how it can assist in making the transition smooth and timely.*

Graybar's transition is within 30 days. Not only will Graybar ensure that the implementation goes smoothly, but we will use continuous improvement techniques to ensure the processes and plans put in place are achieving the State of Colorado's desired results moving forward.

Section 3.9 Employee Purchase Program. *This is NOT a mandatory element in the Vendor's proposal. It is a "value added" element. There are programs that enable government employees (state or local) to purchase vendor products at a discounted rate. If offered, Vendor shall describe its program in outline and in detail. Employee qualification and verification are the Vendor's responsibility.*

Graybar is willing to extend discounts to government employees. Graybar will accept credit cards from government employees and they will need to show valid government identification.

Section 3.10 Value-Added or Optional Programs. *This is NOT a mandatory element in the Vendor's proposal. However, the intent is to enable Vendors to offer other buyer incentives where using that Vendor is advantageous. If Vendor has any additional benefits/programs to offer the State (i.e. delivery incentives, discount programs, etc.), the Vendor will be asked to describe in detail and outline them. If the Vendor has any additional benefits/programs to offer the State, Vendor shall describe them in outline and detail.*

Reducing Total Costs of Ownership: Graybar Electric's extensive network not only provides the State of Colorado the inventory and logistic benefits just mentioned, it also lends benefits in the areas of cost reduction and savings. Our cost savings program is designed to exceed the State of Colorado's requirements. Graybar will continually strive to provide additional value and cost savings. Graybar's cost savings program studies 3 cost saving areas. Examples of the individual cost savings areas are provided below.

Asset Improvement: Graybar's ability to reduce the customer's possession costs for assets.

Example: Inventory reduction via standardization, possession costs is often 23% or more of asset value.

Process Improvement: Graybar's ability to reduce the customer's transactional costs.

Example: Electronic Data Interchange reducing purchase order costs, etc.

Expenditure Reduction: Reductions in customer's expected annual purchase cost requirements.

Example: Product standardization and substitutions creating a difference in the price paid and the price that would have been paid.

3.11 Administration of Resulting Contract.

Reporting: If awarded a contract, the SPO requires a dollar volume quarterly report that indicates aggregate totals for all the Ordering Entities (i.e. State Agencies, Institutions of Higher Education, Political Subdivisions, and eligible Non-Profits). The reports required are a Summary report with supporting detailed sales information. Vendor shall describe in detail how it will handle customer accounts for the purpose of collecting the data needed for quarterly reporting of dollar volume for all the Ordering Entities. Vendor is to provide a sample of a report that would meet the reporting needs.

Point of Sale: One of the many reporting capabilities Graybar can provide to our customers is monthly SAP Point of Sale (POS) reporting. Graybar will provide State of Colorado with two sets of POS reports: One for purchases made by State of Colorado and another for State of Colorado subcontractors purchasing material for your projects. Two receive POS reporting for subcontractor purchases it will be necessary for State of Colorado to provide Graybar with written approval from its subcontractors allowing Graybar to share the requested POS information.

Customer Service Responsiveness Reports: Graybar has identified two ways that it will track purchases on this price agreement. The first process is to set-up a State of Colorado main account and we will then place price agreement users under this account. The second process is to set-up a State of Colorado pricing hierarchy and then each agreement user will have their own account. Graybar will be able to provide a report showing which entity purchased material, the price they paid and the list price.

- **Special Reports:** Graybar can generate a monthly quality performance report covering areas such as on-time delivery, correct material, orders completed in one shipment, and other detail associated with timely and accurate deliveries.
- Graybar has additional internal reports which are viewed monthly such as customer usage reports, allowing for improvement to local stocks to lessen any stock outs, or to put new items in as usage history indicates.

Administrative Fee: The State of Colorado is authorized by statute to collect a fee for the administration of the resulting contract. The administrative fee is one percent (1%) of the total purchases made by all Colorado Ordering Entities. Vendor may adjust the unit pricing listed in its proposal response to include the State's administration fee by adding the fee to the price for the goods that would be billed on its invoice to Ordering Entities (the administrative fee shall not be listed as a separate line item on the invoice.) Any pricing and discount level provided in the Vendor's proposal must include this fee. Payment of the administrative fee is made on a quarterly basis.

Graybar has included all fees in its unit pricing.

Contract Term: The resulting State awards from this solicitation will be an initial term ending 12/31/15 and four 1-year renewal options for a maximum term of five (5) years, at the sole discretion of the State.

Graybar agrees to these terms.

Confidential and/or Sensitive Information: An awarded Vendor will come into contact with confidential information contained in the records and/or files of the State and Ordering Entities in the performance of its obligations under any resulting contract. Such records and information shall be kept confidential, secure and in compliance with all laws and regulations. The Vendor shall notify its employees that they are subject to the confidentiality requirements before its employee is permitted access to confidential data. The Vendor shall provide and maintain a secure environment that ensures data confidentiality. The confidentiality of all information will be respected and no confidential information shall be distributed or sold to any third party nor used by the Vendor or its assignees and/or retained in any files or otherwise by the Vendor.

Disclosure of such information may be cause for legal action and defense of any such action shall be the sole responsibility of the Vendor.

Each year Graybar employees sign our Code of Business Conduct and Ethics which includes how we must handle customer's confidential and/or sensitive information.

Point of Contact After Award: If awarded a contract, Vendor inquiries regarding the price agreement are to be directed to the Sourcing Specialist at the State Purchasing Office managing the price agreement. Further, questions regarding orders are to be directed to the appropriate Ordering Entity as indicated on orders/purchase orders.

Graybar agrees to these terms.

3.12 Cost Proposal – Pricing. Proposals submitted will be valid for and Market Basket pricing held for the first 12 months of a resulting award. Pricing must include all delivery, shipping, service costs associated with the product, as well as the Administrative Fee addressed in **Section 3.11**. Estimated proposal prices are not acceptable and pricing must be in United States funds. Any costs not included as part of the proposal will be disallowed. Non-Market Basket discount percentages may not decrease in the first 12 month period and not more than 5% during the term of the of the contract.

Price Increases: Vendor may amend pricing once in each 12-month period thereafter the initial term of the contract. Vendor shall request any price increase in writing to the SPO at least 60 days prior to the anticipated increase, and such request shall justify the increase by describing verifiable Vendor cost increases. Such requests shall contain complete documentation, and cost justifications may be based on Producer Price Index, Consumer Price Index, or similar industry pricing guides. Such price changes must be accepted by the SPO and become effective by amendment to the awarded contract.

Graybar agrees to these terms.

MSRP Pricing or "List Pricing": MSRP pricing will be identified by the manufacturer's catalog effecting discounts and will establish a baseline of pricing. In the event MSRP pricing is increased it will be held to no more than a 5% increase during a 12-month period and the State reserves the right to accept the change. Exceptions to MSRP price increases may be considered due to extraordinary events or force majeure.

Graybar agrees to these terms.

Price Decreases: Vendor shall pass any price decreases immediately on to Ordering Entities.

Graybar agrees to these terms.

Vendor Discount Structure and Market Baskets Pricing. Currently, the State has many separate contracts for MRO Supplies and Equipment. The goal is to address Ordering Entity needs with focused lists of Market Basket items for each category, which represent the most cost-effective and highest use items. For needs beyond the Market Basket, the State expects a highly competitive net price utilizing a discount from Vendor's List Price on all the different product categories in its proposal.

Graybar agrees to these terms.

Non-Market Basket Discount Structure: In addition to the Market Basket, the Vendor must provide a discount structure reflecting its discount off List Price percentage for each category for non-market basket items. The Vendor shall identify the discount for items that are not included in the Market Basket but are offered by the Vendor for other items within that category. Pricing must include all delivery, shipping, service, and administrative costs associated with the product.

Graybar agrees to these terms.

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