



**Enterprise Alternate Contract Source (ACS)  
No. 31160000-25-NASPO-ACS  
For  
Facilities Maintenance Repair, and Operations (MRO) and Industrial  
Supplies**

This Enterprise Alternate Contract Source No. 31160000-25-NASPO-ACS Facilities Maintenance, Repair and Operations (MRO) and Industrial Supplies (“Term Contract”), is between the Department of Management Services (“Department”), an agency of the State of Florida, located at 4050 Esplanade Way, Tallahassee, FL 32399; and Fastenal Company (“Contractor”), located at 2001 Theurer Blvd., Winona, MN 55987; collectively referred to herein as the “Parties.”

**WHEREAS**, section 287.042(16), Florida Statutes (F.S.) authorizes the Department to evaluate contracts let by the Federal Government, another state, or a political subdivision for the provision of commodities and contract services;

**WHEREAS**, the Lead State of Kentucky, competitively procured Facilities Maintenance, Repair and Operations (MRO) and Industrial Supplies and executed Contract No. MA 758 2500000414, (“Master Contract”), with the Contractor; and

**WHEREAS**, pursuant to section 287.042(16), F.S., the Secretary evaluated the Master Contract and determined that use of the Master Contract is cost-effective and the best value to the state.

**NOW THEREFORE**, in consideration of the mutual promises contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**1. Term and Effective Date.**

The Master Contract became effective on September 1, 2024, and its term currently ends on August 31, 2026. The Master Contract has four years of renewals available. This Term Contract will become effective on January 1, 2025, or on the date signed by all Parties, whichever is later. This Term Contract will expire on August 31, 2026, unless terminated earlier or renewed in accordance with the Exhibit B, Enterprise Standard Terms and Conditions.

**2. Order of Precedence.**

This contract document and the attached exhibits constitute the Term Contract and the entire understanding of the Parties. This contract document, Exhibits A, B, C, and D constitute the Participating Addendum to the Master Contract and modify or supplement the terms and

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conditions of the Master Contract. All exhibits listed below are incorporated into this Term Contract by reference herein. In the event of a conflict, the following order of precedence shall apply:

- a) This contract document
- b) Exhibit A, Additional Terms and Conditions to the Enterprise Contract
- c) Exhibit B, Enterprise Standard Terms and Conditions
- d) Exhibit C, PUR 7801 Vendor Certification Form
- e) Exhibit D, Master Contract (including any amendments to the Master Contract made prior to the effective date of this Term Contract and any subsequent amendments to the Master Contract that are added to this Term Contract in accordance with the Modifications Section listed below)

Where the laws and regulations of a state other than the State of Florida are cited or referenced in the Master Contract, such citation or reference shall be replaced by the comparable Florida law or regulation.

**3. Purchases off this Contract.**

Upon execution of this Term Contract, agencies, as defined in section 287.012, F.S., may purchase products and services under this Term Contract. Any entity making a purchase off of this Term Contract acknowledges and agrees to be bound by the terms and conditions of this Term Contract. The Contractor shall adhere to the terms included in any contract or purchase orders issued pursuant to this Term Contract.

**4. Primary Contacts.**

**Department's Contract Manager:**

Joseph Thomas  
Division of State Purchasing  
Florida Department of Management Services  
4050 Esplanade Way, Suite 360  
Tallahassee, Florida 32399  
Telephone: (850) 488-8367  
Email: [Joseph.Thomas@dms.fl.gov](mailto:Joseph.Thomas@dms.fl.gov)

**Contractor's Contract Manager:**

Zach Wise  
Fastenal Company  
2001 Theurer Boulevard  
Winona, Minnesota 55987  
Telephone: (833) 790-9932  
Email: [Nasposupport@fastenal.com](mailto:Nasposupport@fastenal.com)

Either party may notify the other by email of a change to a designated Contract Manager

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providing the contact information for the newly designated contact, and such notice is sufficient to effectuate this change without requiring a written amendment to the Term Contract.

**5. Modifications.**

Unless otherwise stated in the Term Contract, any amendments to this Term Contract must be in accordance with Exhibit B, Enterprise Standard Terms and Conditions. If amendments are made to the Master Contract after the effective date of this Term Contract, the Contractor shall: 1) notify the Department of such amendments; and 2) provided the Department is amenable to incorporating the amendments into this Term Contract, enter into a written amendment with the Department in accordance with Exhibit B, Enterprise Standard Terms and Conditions.

**IN WITNESS THEREOF**, the Parties hereto have caused this Term Contract to be executed by the undersigned duly authorized undersigned officials.

**FASTENAL COMPANY**

**DEPARTMENT OF MANAGEMENT SERVICES**

Signed by:  
  
OF1AEEFC0A26427...  
**William Drazkowski**

DocuSigned by:  
  
C94713929499485...  
**Pedro Allende, Secretary**

Executive Vice President

12/12/2024 | 5:19 PM EST

**Date:**

12/16/2024 | 11:41 AM EST

**Date:**



## EXHIBIT A

### ADDITIONAL TERMS AND CONDITIONS TO THE ENTERPRISE CONTRACT

The following subsections are added to the Enterprise Standard Terms and Conditions:

#### **SECTION 18: PUNCHOUT CATALOG AND ELECTRONIC INVOICING.**

The Contractor is encouraged to provide a MFMP punchout catalog. The punchout catalog provides an alternative mechanism for suppliers to offer the State access to Products awarded under the Term Contract. The punchout catalog also allows for direct communication between the MFMP eProcurement System and a supplier's Enterprise Resource Planning (ERP) system, which can reflect real-time Product inventory/availability information.

The punchout catalog enables Florida buyers to "punch out" to a supplier's website. Using the search tools on the supplier's Florida punchout catalog site, the user selects the desired Products. When complete, the user exits the supplier's punchout catalog site and the shopping cart (full of Products) is "brought back" to MFMP. No orders are sent to a supplier when the user exits the supplier's punchout catalog site. Instead, the chosen Products are "brought back" to MFMP as line items in a purchase order. The user can then proceed through the normal workflow steps, which may include adding/editing the Products (i.e., line items) in the purchase order. An order is not submitted to a supplier until the user approves and submits the purchase order, at which point the supplier receives an email with the order details.

The Contractor may supply electronic invoices in lieu of paper-based invoices for those transactions processed through MFMP. Electronic invoices may be submitted to the Customer through one of the mechanisms as listed below:

- 1) EDI (Electronic Data Interchange)  
This standard establishes the data contents of the Invoice Transaction Set (810) for use within the context of an Electronic Data Interchange (EDI) environment. This transaction set can be used for invoicing via the Ariba Network (AN) for catalog and non-catalog goods and services.
- 2) PO Flip via AN  
This online process allows Contractors to submit invoices via the AN for catalog and non-catalog goods and services. Contractors have the ability to create an invoice directly from their inbox in their AN account by simply "flipping" the PO into an invoice. This option does not require any special software or technical capabilities.

The Contractor warrants and represents that it is authorized and empowered to and hereby grants the State and the third-party provider of MFMP, a State contractor, the right and license to use, reproduce, transmit, distribute, and publicly display within MFMP. In addition, the Contractor warrants and represents that it is authorized and empowered to and hereby grants the State and the third-party provider the right and license to reproduce and display within MFMP the Contractor's trademarks, system marks, logos, trade dress, or other branding designation that

identifies the Products made available by the Contractor under the Term Contract.

**SECTION 19: FINANCIAL CONSEQUENCES**

Failure to comply with the requirements of the Term Contract will result in the imposition of financial consequences. The following financial consequences will apply for the Contractor’s failure to meet the performance metric standard and due date corresponding with the deliverables under the Term Contract. The Customer may impose additional Financial Consequences beyond those stated herein to apply to that Customer’s purchase. The State of Florida reserves the right to withhold payment or implement other appropriate remedies, such as Term Contract termination, or nonrenewal, when the Contractor has failed to comply with the provisions of the Term Contract.

The financial consequences below will be paid and received by the Department of Management Services within 30 calendar days from the due date specified by the Department. These financial consequences below are individually assessed for failures over each target period beginning with the first full month or quarter of the Term Contract performance and every month or quarter, respectively, thereafter.

**Financial Consequences Chart**

<b>Deliverable</b>	<b>Performance Metric</b>	<b>Performance Due Date</b>	<b>Financial Consequence for Non-Performance</b>
Contractor will timely submit complete Term Contract Quarterly Sales Reports	All Term Contract Quarterly Sales Reports will be submitted timely with the required information	Completed reports are due on or before the 30 <sup>th</sup> calendar day after the close of each State fiscal quarter	\$250 per day late
Contractor will timely submit complete MFMP Transaction Fee Reports	All MFMP Transaction Fee Reports will be submitted timely with the required information	Completed reports are due on or before the 15 <sup>th</sup> calendar day after the close of each month	\$100 per day late

**No favorable action will be considered when Contractor has outstanding Term Contract Quarterly Sales Reports, MFMP Transaction Fee Reports, or any other documentation owed to the Department or Customer, to include fees / monies, that are required under this Term Contract.**





## **Exhibit B**

# **ENTERPRISE STANDARD TERMS AND CONDITIONS**

**These Enterprise Standard Terms and Conditions set forth the terms and conditions regarding the administration of the Term Contract, including the provision of Products to Customers. Customer specific terms for purchases off this Term Contract shall be set forth in the Customer specific agreement.**

## SECTION 1. DEFINITIONS

Capitalized terms used herein are defined as follows:

**“Attachments”** means the attachments, addenda, schedules, exhibits, and other documents, however so titled, attached hereto or incorporated by reference herein.

**“Business Days”** means Monday through Friday, inclusive, excluding State holidays specified in section 110.117, Florida Statutes (“F.S.”).

**“Contractor”** means the person or entity that is a party to the Term Contract and is offering Products for purchase.

**“Customer”** means the agency, as defined in section 287.012, F.S., or eligible user, as defined in Rule 60A-1.001, Florida Administrative Code (“F.A.C.”), that makes a purchase off the Term Contract. For the avoidance of doubt, this also includes the Department when it purchases off the Term Contract.

**“Department”** means the Department of Management Services, an agency as defined in section 287.012, F.S., responsible for the administration of this Term Contract.

**“Enterprise Alternate Contract Source”** means a contract authorized pursuant to section 287.042(16), F.S., or approved pursuant to section 287.057(3)(b), F.S., for statewide use.

**“Product”** means any deliverable under the Term Contract, which may include commodities and contractual services, as each is defined in section 287.012, F.S. “Product” does not include, and no State funding under the Term Contract is being provided for, promoting, advocating for, or providing training or education on “Diversity, Equity, and Inclusion” (“DEI”). DEI is any program, activity, or policy that classifies individuals on the basis of race, color, sex, national origin, gender identity, or sexual orientation and promotes differential or preferential treatment of individuals on the basis of such classification, or promotes the position that a group or an individual’s action is inherently, unconsciously, or implicitly biased on the basis of such classification.

**“State”** means the State of Florida

**“State Term Contract”** means a term contract that is competitively procured by the department pursuant to section 287.057, F.S. and that is used by agencies and eligible users pursuant to section 287.056, F.S.

**“Term Contract”** means the legally enforceable term contract, as defined in section 287.012, F.S., between the Department and Contractor to which these Enterprise Standard Terms and Conditions apply, including all Attachments thereto. The Term Contract is either a State Term Contract or an Enterprise Alternate Contract Source.

## SECTION 2. CONTRACT AMENDMENT

**2.1 Amendment.** The Term Contract contains all the terms and conditions agreed upon by the parties. Unless otherwise stated in Term Contract, the Term Contract may only be amended upon mutual written agreement signed by the parties. No oral agreements or representations will be valid or binding upon the Department or the Contractor. Unless explicitly agreed to by the Department in the Term Contract, no unilateral alteration or modification of the Term



Contract terms, including substitution of Product, will be valid or binding against the Customer.

The Department and Contractor may modify the Term Contract to alter, add to, or deduct from the Term Contract specifications, provided that such changes are within the general scope of the Term Contract. The parties may make an equitable adjustment in the Term Contract price or delivery date if the change affects the cost or time of performance.

### **SECTION 3. CONTRACT CONSTRUCTION AND ADMINISTRATION**

**3.1 Construction.** Unless the context requires otherwise, (i) the words "include," "includes," and "including" are deemed to be followed by the words "without limitation;" (ii) the word "or" is not exclusive; and (iii) the words "herein," "hereof," "hereby," "hereto," and "hereunder" refer to the Term Contract as a whole, inclusive of all Attachments. Unless the context requires otherwise, references herein to (i) sections or Attachments mean the sections of, or Attachments to, the Term Contract; (ii) an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented, and modified from time to time to the extent permitted by the provisions thereof; and (iii) a statute, rule, or other law or regulation means such statute, rule, or other law or regulation as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder.

Unless the context requires otherwise, whenever the masculine is used in the Term Contract, the same will include the feminine and whenever the feminine is used herein, the same will include the masculine. Unless the context requires otherwise, whenever the singular is used in the Term Contract, the same will include the plural, and whenever the plural is used herein, the same will include the singular, where appropriate. All references to "\$" or "dollars" means the United States Dollar, the official and lawful currency of the United States of America.

The Term Contract will be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Attachments referred to herein will be construed with, and as an integral part of, the Term Contract to the same extent as if they were set forth verbatim herein.

**3.2 Administration.** Execution in Counterparts. The Term Contract may be executed in counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

**3.2.1 Notices.** Where the term "written notice" is used to specify a notice requirement herein, said notice will be deemed to have been given (i) when personally delivered; (ii) email (with confirmation of receipt) the day immediately following the day (except if not a Business Day then the next Business Day) on which the notice or communication has been provided prepaid by the sender to a recognized overnight delivery service; or (iii) on the date actually received except where there is a date of the certification of receipt.

Unless otherwise specified, the Contractor shall deliver all notices to the Department's Contract Manager and the Department shall deliver all notices to the Contractor's Contract Manager.

- 3.2.2 **Severability.** If a court deems any non-material provision of the Term Contract void or unenforceable, all other provisions will remain in full force and effect. Upon a determination that any material provision is void or unenforceable, the parties shall negotiate in good faith to modify this Term Contract to give effect to the original intent of the parties as closely as possible in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.
- 3.2.3 **Waiver.** The delay or failure by the Department to exercise or enforce any of its rights under the Term Contract will not constitute or be deemed a waiver of the Department's right thereafter to enforce those rights, nor will any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.
- 3.2.4 **Survivability.** The Term Contract and any and all promises, covenants, and representations made herein are binding upon the parties hereto and any and all respective heirs, assigns, and successors in interest. The respective obligations of the parties, which by their nature would continue beyond the termination or expiration of the Term Contract, including without limitation, the obligations regarding confidentiality, proprietary interests, reporting, and public records, will survive termination or expiration of the Term Contract.
- 3.2.5 **Third Party Beneficiaries.** The parties acknowledge and agree that the Term Contract is for the benefit of the parties hereto. The Term Contract is not intended to confer any legal rights or benefits on any other party, except such rights and benefits associated with a purchase made by a Customer off this Term Contract.

#### **SECTION 4. CONTRACT TERM, SUSPENSION, AND TERMINATION.**

- 4.1 **Term.** The initial term will begin on the date set forth in the Term Contract documents or on the date the Term Contract is signed by all parties, whichever is later.

Upon written agreement, the Department and the Contractor may renew the Term Contract in whole or in part only as set forth in the Term Contract documents, and in accordance with section 287.057(13), F.S. No costs may be charged for the renewals.

#### **4.2 Suspension of Work and Termination.**

- 4.2.1 **Suspension of Work.** The Department may, in its sole discretion, suspend any or all activities under the Term Contract, at any time, when it is in the best interest of the State of Florida to do so. The Department will provide the Contractor written notice outlining the particulars of the suspension. After receiving a suspension notice, the Contractor must comply with the notice and will cease the performance of the Term Contract. Suspension of work will not entitle the Contractor to any compensation for services not performed or commodities not delivered during the suspension period nor for any additional compensation.
- 4.2.2 **Termination for Convenience.** The Term Contract may be terminated by the Department, by written notice to the Contractor thirty (30) calendar days in advance, in whole or in part at any time, when the Department determines in its sole discretion that it is in the Department's interest to do so. The Contractor shall not furnish any Product after it receives the notice of termination, except as necessary to complete

the continued portion of the Term Contract, or a continued purchase off the Term Contract, if any. The Contractor will not be entitled to recover any cancellation charges or lost profits. If the Term Contract is terminated before performance is completed, the Contractor will be paid only for that work satisfactorily performed for which costs can be substantiated. Such payment, however, may not exceed an amount which is the same percentage of any Customer contract price as the amount of work satisfactorily performed. All work in progress will become the property of the Customer and will be turned over promptly by the Contractor.

- 4.2.3 **Termination for Cause.** The Department may terminate the Term Contract if the Contractor fails to (i) on multiple occasions, timely deliver Products purchased by Customers, (ii) on multiple occasions, maintain adequate progress on Customer purchases, thus endangering performance, (iii) honor any term of the Term Contract, or (iv) abide by any statutory, regulatory, or licensing requirement. The Department may, at its sole discretion, (i) immediately terminate the Term Contract, (ii) notify the Contractor of the deficiency and require that the deficiency be corrected within a specified time, otherwise the Term Contract will terminate at the end of such time, or (iii) take other action deemed appropriate by the Department. The Contractor shall continue work on any work not terminated.

Except for defaults of subcontractors at any tier, the Contractor will not be liable for any excess costs if the failure to perform arises from events completely beyond the control, and without the fault or negligence, of the Contractor. If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is completely beyond the control of both the Contractor and the subcontractor, and without the fault or negligence of either, the Contractor will not be liable for any excess costs for failure to perform, unless the subcontracted Products were obtainable from other sources in sufficient time for the Contractor to meet the required delivery schedule. If, after termination, it is determined that the Contractor was not in default, or that the default was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for the convenience of the Department. The rights and remedies of the Department in this clause are in addition to any other rights and remedies provided by law or under the Term Contract. The Customer will notify the Department of any vendor that has met the grounds for placement of the vendor on the Department of Management Services' Suspended Vendor List, as required in section 287.1351, F.S.

- 4.2.4 **Termination for Non-Compliance with E-Verify.** Pursuant to section 448.095(5)(c)1., F.S., the Department shall terminate the Term Contract if it has a good faith belief that the Contractor has knowingly violated section 448.09(1), F.S. Pursuant to section 448.095(5)(c)2., F.S., if the Department has a good faith belief that a subcontractor knowingly violated section 448.09(1), F.S., the Department shall promptly notify the Contractor and order the Contractor to immediately terminate the contract with the subcontractor.
- 4.2.5 **Termination Related to Statutory Certifications.** At the Department's option, the Term Contract may be terminated if the Contractor is placed on any of the lists referenced in the attached PUR 7801, Vendor Certification Form, or would otherwise be prohibited from entering into or renewing the Term Contract based on the statutory provisions referenced therein.

- 4.2.6 **Termination for Refusing Access to Public Records.** In accordance with section 287.058, F.S., the Department may unilaterally terminate the Term Contract for refusal by the Contractor to allow public access to all documents, papers, letters, or other material made or received by the Contractor in conjunction with the Term Contract, unless the records are exempt from s. 24(a) of Art. I of the State Constitution and section 119.071(1), F.S.

## **SECTION 5. PURCHASES OFF THE TERM CONTRACT.**

- 5.1 **Purchases.** By executing the Term Contract, the Contractor agrees to allow Customers to make purchases off the Term Contract. Purchases from Customers other than the Department are independent of the agreement between the Department and the Contractor, and the Department shall not be a party to such transaction. Customers' purchases off the Term Contract are limited to Products offered under the Term Contract, and no additional Products may be provided under a purchase off the Term Contract.

- 5.2 **Purchase Submission.** For any purchases off the Term Contract, either the contract (as defined in Rule 60A-1.001, F.A.C.) must be executed between the Customer and Contractor, or the purchase order (as defined in Rule 60A-1.001, F.A.C.) must be issued by the Customer to the Contractor, no later than the last day of the Term Contract's term to be considered timely. Contracts executed, or purchase orders issued, after the last day of the Term Contract's term shall be considered void.

- 5.3 **Terms.** The terms of the Form PUR 1000, General Contract Conditions, incorporated in Rule 60A-1.002, F.A.C., and linked here <http://www.flrules.org/Gateway/reference.asp?No=Ref-16731>, are hereby incorporated by reference herein and will apply to all purchases made by a Customer off the Term Contract. The Customer may attach additional terms and conditions specific to its particular purchase made off the Term Contract, which are considered Special Conditions. The term "Special Conditions" does not include any Contractor-provided documents, including attachments or standard preprinted forms, service agreements, end user agreements, product literature, or "shrink wrap" terms accompanying or affixed to a Product, whether written or electronic, or terms incorporated onto the Contractor's order or fiscal forms or other documents forwarded by the Contractor for payment. Any Customer Special Conditions shall not become a part of the Term Contract.

- 5.3.1 **Term.** The term of the Customer purchase off the Term Contract will be as specified in the purchase, except that if renewals of the purchase are permitted, the Customer and Contractor shall not renew the purchase if the Term Contract expires prior to the effective date of the renewal. Any existing term of a purchase off the Term Contract shall not extend more than forty-eight (48) months beyond the end of the Term Contract. However, if an extended pricing plan offered in the Term Contract is agreed upon by the Customer and Contractor and extends more than forty-eight (48) months beyond the end of the Term Contract, the agreed upon extended pricing plan terms shall govern the maximum duration of the purchase. The Contractor is required to fulfill timely purchases that extend performance beyond the Term Contract term even when such extended delivery will occur after expiration of the Term Contract. For such purchases, all terms and conditions of the Term Contract shall survive the termination or expiration of the Term Contract and apply to the Contractor's continued performance.

- 5.3.2 **Additional Requirements.** All Customer purchases off the Term Contract shall

contain the Term Contract name and number and shall be placed by the Customer. Delivery or furnishing Products shall not occur until the Customer executes their contract or transmits the purchase order, as defined in Rule 60A-1.001, F.A.C.

## **SECTION 6. PAYMENT AND FEES.**

**6.1 Pricing.** The Contractor shall not exceed the pricing set forth in the Term Contract documents.

**6.2 Best Pricing Offer.** During the term of the Term Contract, if the Department or Customer becomes aware of better pricing offered by the Contractor for substantially the same or a smaller quantity of a Product outside the Term Contract, but upon the same or similar terms of the Term Contract, then the Department or Customer may request that the Contractor immediately reduce to the lower price.

**6.3 Price Decreases.** The following price decrease terms will apply to the Term Contract:

**6.3.1 Quantity Discounts.** The Contractor may offer additional discounts for one-time delivery of large single orders. The Customer should seek to negotiate additional price concessions on quantity purchases of any Products offered under the Term Contract.

**6.3.2 Sales Promotions.** In addition to decreasing prices for the balance of the Term Contract term due to a change in market conditions, the Contractor may conduct sales promotions involving price reductions for a specified lesser period. If conducting a sales promotion, the Contractor must submit documentation to the Department's Contract Manager identifying the proposed: (1) starting and ending dates of the promotion, (2) Products involved, and (3) promotional prices compared to then-authorized prices. The Contractor shall provide notice to Customers of the promotion and shall make the promotional prices available to all Customers.

**6.3.3 Equitable Adjustment.** The Department may, in its sole discretion, make an equitable adjustment in the Term Contract terms or pricing if pricing or availability of supply is affected by extreme and unforeseen volatility in the marketplace, that is, by circumstances that satisfy all the following criteria: (1) the volatility is due to causes wholly beyond the Contractor's control, (2) the volatility affects the marketplace or industry, not just the particular Term Contract source of supply, (3) the effect on pricing or availability of supply is substantial, and (4) the volatility so affects the Contractor that continued performance of the Term Contract would result in a substantial loss.

**6.4 Purchase Prerequisites.** The Contractor may be required to accept the State of Florida Purchasing Card and MyFloridaMarketPlace (MFMP) purchase orders. The Contractor must ensure that entities receiving payment directly from Customers under this Term Contract must have met the following requirements:

- Have an active registration with the Florida Department of State, Division of Corporations ([www.sunbiz.org](http://www.sunbiz.org)), or, if exempt from the registration requirements, provide the Department with the basis for such exemption.
- Be registered in the MFMP Vendor Information Portal (<https://vendor.myfloridamarketplace.com>).
- Have a current W-9 filed with the Florida Department of Financial Services (<https://flvendor.myfloridacfo.com>)

**6.5 Transaction Fees.** The State of Florida, through the Department of Management Services,

has instituted MyFloridaMarketPlace, a statewide eProcurement system pursuant to section 287.057(24), Florida Statutes (F.S.). All payments issued by Agencies to registered vendors for purchases of Commodities or Contractual Services under Chapter 287, F.S., shall be assessed the Transaction Fee of one percent (1.0%) of the total amount of the payments received from the State or Eligible Users, as prescribed by Rule 60A-1.031, Florida Administrative Code (F.A.C.), or as may otherwise be established by law. Vendors shall pay the Transaction Fee and are subject to automatic deduction of the Transaction Fee, when automatic deduction becomes available. Vendors shall submit any monthly reports required pursuant to Rule 60A-1.031, F.A.C. All such reports and payments are subject to audit. The Agency will have grounds for declaring the vendor in default if the vendor fails to comply with the payment of the Transaction Fee or reporting of payments, which may subject the vendor to being suspended from business with the State of Florida.

- 6.6 Exclusivity.** The Term Contract is not an exclusive license to provide the Products described in the Term Contract. The Department may, without limitation and without recourse by the Contractor, contract with other vendors to provide the same or similar Products.

## **SECTION 7. PERFORMANCE**

- 7.1 Warranty of Ability to Perform.** Upon the effective date of the Term Contract, and each year on the anniversary date of the Term Contract, the Contractor shall submit to the Department a completed PUR 7801, Vendor Certification Form. The Contractor warrants that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish the Contractor's ability to satisfy its Term Contract obligations.

Additionally, the Contractor shall promptly notify the Department in writing if its ability to perform is compromised in any manner during the term of the Term Contract (including potential inability to renew the Term Contract due to section 287.138 or 908.111, F.S.) or if it or its suppliers, subcontractors, or consultants under the Term Contract are placed on the Suspended Vendor, Convicted Vendor, Discriminatory Vendor, Forced Labor Vendor, or Antitrust Violator Vendor Lists. The Contractor shall use commercially reasonable efforts to avoid or minimize any delays in performance and shall inform the Department of the steps the Contractor is taking or will take to do so, and the projected actual completion (or delivery) time. If the Contractor believes a delay in performance by the Department has caused or will cause the Contractor to be unable to perform its obligations on time, the Contractor shall promptly so notify the Department and use commercially reasonable efforts to perform its obligations on time notwithstanding the Department's delay.

- 7.2 Further Assurances.** The parties shall, with reasonable diligence, do all things and provide all reasonable assurances as may be necessary to complete the requirements of the Term Contract, and each party shall provide such further documents or instruments requested by the other party as may be reasonably necessary or desirable to give effect to the Term Contract and to carry out its provisions. The Department is entitled at all times, upon request, to be advised as to the status of work being done by the Contractor and the details thereof.

- 7.3 Assignment.** The Contractor shall not sell, assign or transfer any of its rights, duties or obligations under the Term Contract without the prior written consent of the Department. In the event of any assignment, the Contractor remains secondarily liable for performance of

the Term Contract, unless the Department expressly waives such secondary liability. The Department may assign the Term Contract with prior written notice to Contractor of its intent to do so.

#### **7.4 Employees, Subcontractors, and Agents.**

7.4.1 **Subcontractors.** The Contractor will not subcontract any work under the Term Contract without prior written consent of the Department. The Contractor shall obtain prior written consent using the process identified on the Department's website: [Subcontractor/Dealer/Reseller Forms / Vendor Resources / State Purchasing / Business Operations - Florida Department of Management Services \(myflorida.com\)](#). The use of the term "subcontractor" may refer to affiliates, resellers, dealers, distributors, partners, teammates, and all other third parties utilized by the Contractor at any tier under the Term Contract. The Contractor is responsible for ensuring that its subcontractors providing commodities and performing services in furtherance of the Term Contract do so in compliance with the terms and conditions of the Term Contract. By execution of the Term Contract, the Contractor acknowledges that it will not be released of its contractual obligations to Customers because of any failure of a subcontractor. The Contractor is fully responsible for satisfactory completion of all work performed under the Term Contract. The Contractor's use of a subcontractor not approved by the Department will be considered a material breach of the Term Contract.

7.4.2 **Independent Contractor.** The Contractor and its employees, agents, representatives, and subcontractors are not employees or agents of the Department or the State and are not entitled to the benefits of Department or State employees. Neither the Customer nor the State will be bound by any acts or conduct of the Contractor or its employees, subcontractors, or agents. The Contractor shall include this provision in all of its subcontracts under the Term Contract.

7.5 **Force Majeure, Notice of Delay, and No Damages for Delay.** The Contractor will not be responsible for delay resulting from its failure to perform if neither the fault nor the negligence of the Contractor or its employees, subcontractors, or agents contributed to the delay and the delay is due directly to acts of God, wars, acts of public enemies, strikes, fires, floods, or other similar cause wholly beyond the Contractor's control, or for any of the foregoing that affect suppliers if no alternate source of supply is available to the Contractor.

In case of any delay the Contractor believes is excusable, the Contractor shall notify the Department in writing of the delay or potential delay and describe the cause of the delay either (i) within ten (10) calendar days after the cause that creates or will create the delay first arose, if the Contractor could reasonably foresee that a delay could occur as a result; or (ii) if a delay is not reasonably foreseeable, within five (5) calendar days after the date the Contractor first had reason to believe that a delay could result. THE FOREGOING WILL CONSTITUTE THE CONTRACTOR'S SOLE REMEDY OR EXCUSE WITH RESPECT TO ANY DELAY except if such delay is caused by the fraud, bad faith, or active interference of the Department. Providing notice in strict accordance with this paragraph is a condition precedent to such remedy, and a rebuttable presumption of prejudice will exist based on Contractor's untimely notice. The Contractor shall not assert any claim for damages related to such delay. The Contractor will not be entitled to an increase in the Term Contract price or payment of any kind from the Department for direct, indirect, consequential, impact, or other costs, expenses, or damages, including costs of acceleration or inefficiency, arising

because of delay, disruption, interference, or hindrance from any cause whatsoever.

If performance is suspended or delayed, in whole or in part, due to any of the causes described in this subsection, the Department may unilaterally (and with no recourse on the part of the Contractor) identify and use an alternate source to complete any work under the Term Contract as the Department deems necessary, in its sole discretion. After the causes have ceased to exist, the Contractor shall perform at no increased cost, unless the Department determines, in its sole discretion, that the delay will significantly impair the value of the Contract to the Department or State, in which case the Department may (i) accept allocated performance or deliveries from the Contractor, provided that the Contractor grants preferential treatment to the Department with respect to Products subjected to allocation; or (ii) terminate the Term Contract in whole or in part.

## **SECTION 8. CONTRACT MANAGEMENT**

**8.1 Department's Contract Manager.** The Department's Contract Manager for the Term Contract, who is primarily responsible for the Department's oversight of the Term Contract, will be identified in a separate writing to the Contractor upon Term Contract signing in the following format:

Department's Contract Manager Name  
Department's Name  
Department's Physical Address  
Department's Telephone #  
Department's Email Address

**8.2 Contractor's Contract Manager.** The Contractor's Contract Manager, who is primarily responsible for the Contractor's oversight of the Term Contract performance, will be identified in a separate writing to the Department upon Term Contract signing in the following format:

Contractor's Contract Manager Name  
Contractor's Name  
Contractor's Physical Address  
Contractor's Telephone #  
Contractor's Email Address

Either party may notify the other by email of a change to a designated contact providing the contact information for the newly designated contact, and such notice is sufficient to effectuate this change without requiring a written amendment to the Term Contract.

## **SECTION 9. COMPLIANCE WITH LAWS.**

**9.1 Conduct of Business.** The Contractor shall comply with all laws, rules, codes, ordinances, and licensing requirements that are applicable to the conduct of its business and that are applicable to the Term Contract, including those of federal, state, and local agencies having jurisdiction and authority, and shall ensure that any and all subcontractors utilized do the same. The Contractor represents and warrants that no part of the funding under the Term Contract will be used in violation of any state or federal law, including, but not limited to, 8 U.S.C. § 1324 or 8 U.S.C. § 1325, or to aid or abet another in violating state or federal law. The Department may terminate the Term Contract at any time if the Contractor violates, or aids or abets another in violating, any state or federal law.



If the requirements of the Term Contract conflict with any governing law, codes or regulations, the Contractor shall notify the Department in writing and the parties shall amend the Term Contract to comply with the applicable code or regulation. Similarly, if the Contractor believes that any governmental restrictions have been imposed that require alteration of the material, quality, workmanship or performance of the Products offered under the Term Contract, the Contractor shall immediately notify the Department in writing, indicating the specific restriction. The Department reserves the right and the complete discretion to accept any such alteration or to cancel the Term Contract at no further expense to the Department.

Pursuant to section 287.057(26), F.S., the Contractor shall answer all questions of, and ensure a representative will be available to, a Customer's continuing oversight team for purchases off this Term Contract.

**9.2 Integrity.** In addition to any applicable statutory restrictions, the Contractor shall not, in connection with this or any other agreement with the State, directly or indirectly (i) offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for any State officer or employee's decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty; or (ii) offer, give, or agree to give to anyone any gratuity for the benefit of, or at the direction or request of, any State officer or employee. For purposes of clause (ii), "gratuity" means any payment in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind.

## **SECTION 10. DISPUTES AND LIABILITIES.**

**10.1 Dispute Resolution.** Should any disputes arise between the Department and the Contractor with respect to the Term Contract, the Contractor and the Department shall act immediately to resolve any such disputes. Time is of the essence in the resolution of disputes.

Exhaustion of this administrative remedy detailed in the Dispute Resolution Process contemplated in this Term Contract is an absolute condition precedent to the Contractor's ability to seek other remedies related to the Term Contract.

### **10.2 Dispute Resolution Process.**

- (a) Department Review. The parties shall resolve disputes through written submission of their dispute to the Department's Contract Manager. The Department shall respond to the dispute in writing within ten (10) Business Days from the date that the Department's Contract Manager receives the dispute. The Department's decision shall be final unless a party provides the other party with written notice of the party's disagreement with the decision within ten (10) Business Days from the date of the Department's decision. If a party disagrees with the Department's decision, the party may proceed to subsection (b) below.
- (b) Meeting between the Principals. If either party disagrees with the Department's decision, such disagreeing party shall notify the other party of the disagreement within ten (10) Business Days. The parties shall then schedule a meeting between each party's principal (for the Department, the Department head or designee; for the Contractor, the Chief Executive Officer or designee) on a mutually agreed upon date, no later than ten (10) Business Days after the provision of the notice. The principals shall attempt to mutually resolve the disagreement at such meeting.
- (c) Mediation. If the dispute is not resolved through a meeting of the Principals, the parties, upon mutual agreement, may mediate such dispute. If such mediation is not completed

within 100 calendar days from receipt of the Department's decision, then either party may seek other remedies.

If the dispute is not resolved through the full process in subsections (a) - (c) above (or (a) - (b), if mediation is not agreed to), either party may pursue any other remedies.

- 10.3 Contractor's Obligation to Perform While Disputes are Pending.** The Contractor shall proceed diligently with performance under the Term Contract pending the final resolution of any dispute or request for relief, claim, appeal, or action arising under the Term Contract and shall comply with directions to perform from the Department. Should the Contractor not perform while a dispute is pending, including by not performing disputed work, such nonperformance by the Contractor may be deemed to be an unexcused breach of the Term Contract which is separate and apart from any other dispute.
- 10.4 Governing Law and Venue.** The Term Contract will be governed by, and construed in accordance with, the laws of the State. Jurisdiction and venue for suit arising under the terms of the Term Contract will exclusively be in the appropriate State court located in Leon County, Florida. Except as otherwise provided by law, the parties agree to be responsible for their own attorney's fees and costs incurred in connection with disputes arising under the terms of the Term Contract.
- 10.5 Remedies Cumulative.** No remedy herein conferred upon or reserved to either party is intended to be exclusive of any other remedy or remedies, and each and every such remedy will be cumulative, and will be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.
- 10.6 JURY WAIVER. THE PARTIES, ON BEHALF OF THEMSELVES AND ASSIGNS, WAIVE ALL RIGHT TO TRIAL BY JURY FOR ANY ACTION, APPEAL, CLAIM, OR PROCEEDING, WHETHER IN LAW IN OR IN EQUITY, WHICH IN ANY WAY ARISES OUT OF OR RELATES TO THE TERM CONTRACT OR ITS SUBJECT MATTER.**
- 10.7 Indemnification.** For any and all third-party claims, actions, demands, liabilities, and expenses of any kind which are caused by, related to, growing out of or happening in connection with the Term Contract (including any determination arising out of or related to the Term Contract that the Contractor or its employees, agents, subcontractors, assignees, or delegates are not independent contractors in relation to the Department or State), the Contractor shall be fully liable for the actions of its employees, subcontractors, and agents and shall fully indemnify, defend, and hold harmless the Department and the State (including each of their current and former officers, agents, and employees) for any and all loss, damage, injury, costs, reasonable expenses, or other casualty to person or property. Without limiting this indemnification requirement, the Department may provide the Contractor (i) written notice of any action or threatened action, (ii) the opportunity to take over and settle or defend any such action at the Contractor's sole expense, and (iii) assistance in defending the action at the Contractor's sole expense. The above indemnity requirement does not apply to that portion of any loss or damages proximately caused by the negligent act or omission of the Department or the State. Nothing herein is intended to act as a waiver of the Department's or State's sovereign immunity or to be deemed consent by the Department or State or its subdivisions to suit by third parties.

## **SECTION 11. MISCELLANEOUS.**

- 11.1 Department of State Registration.** Consistent with Title XXXVI, F.S., if the Contractor asserts status other than that of a sole proprietor, it must provide the Department with i) conclusive evidence of a certificate of status, not subject to qualification, if a Florida business entity; ii) a certificate of authorization if a foreign business entity; or iii) if exempt from the registration requirements, a basis for such exemption.
- 11.2 Time is of the Essence.** Time is of the essence regarding every obligation of the Contractor under the Term Contract. Each obligation is deemed material, and a breach of any such obligation (including a breach resulting from untimely performance) is a material breach.
- 11.3 Cooperative Purchasing.** Pursuant to their own governing laws, and subject to the agreement of the Contractor, governmental entities that are not Customers may make purchases under the terms and conditions contained herein, if agreed to by the Contractor. Such purchases are independent of the Term Contract between the Department and the Contractor, and the Department is not a party to these transactions.

## **SECTION 12. PUBLIC RECORDS, TRADE SECRETS, DOCUMENT MANAGEMENT, AND INTELLECTUAL PROPERTY.**

- 12.1 General Record Management and Retention.** The Contractor shall retain all records that were made in relation to the Term Contract for the longer of five (5) years after expiration of the Term Contract or the period required by the General Records Schedules maintained by the Florida Department of State available at: <https://dos.fl.gov/library-archives/records-management/general-records-schedules/>.
- 12.2 Identification and Protection of Confidential Information.** Article 1, section 24, of the Florida Constitution, guarantees every person access to public records, and section 119.011, F.S., provides a broad definition of "public record." As such, records submitted to the Department (or any other State agency) are public records and are subject to disclosure unless exempt from disclosure by law. If the Contractor considers any portion of a record it provides to the Department (or any other State agency) to be trade secret or otherwise confidential or exempt from disclosure under Florida or federal law ("Confidential Information"), the Contractor shall mark as "confidential" each page of a document or specific portion of a document containing Confidential Information and simultaneously provide the Department (or other State agency) with a separate, redacted copy of the record. The Contractor shall state the basis of the exemption that the Contractor contends is applicable to each portion of the record redacted, including the specific statutory citation for such exemption. The Contractor shall only redact portions of records that it claims contains Confidential Information. If the Contractor fails to mark a record it claims contains Confidential Information as "confidential," or fails to submit a redacted copy in accordance with this section of a record it claims contains Confidential Information, the Department (or other State agency) shall have no liability for release of such record. The foregoing will apply to every instance in which the Contractor fails to both mark a record "confidential" and redact it in accordance with this section, regardless of whether the Contractor may have properly marked and redacted the same or similar Confidential Information in another instance or record submitted to the Department (or any other State agency).

In the event of a public records request, to which records the Contractor marked as "confidential" are responsive to the request, the Department shall provide the Contractor-redacted copy to the requestor. If the Contractor has marked a record as "confidential" but

failed to provide a Contractor-redacted copy to the Department, the Customer may notify the Contractor of the request and the Contractor may have up to ten (10) Business Days from the date of the notice to provide a Contractor-redacted copy, or else the Department may release the unredacted record to the requestor without liability. If the Department provides a Contractor-redacted copy of the documents and the requestor asserts a right to the Contractor-redacted Confidential Information, the Department shall promptly notify the Contractor such an assertion has been made. The notice will provide that if the Contractor seeks to protect the Contractor-redacted Confidential Information from release it must, within thirty (30) days after the date of the notice and at its own expense, file a cause of action seeking a declaratory judgment that the information in question is exempt from section 119.07(1), F.S., or other applicable law and an order prohibiting the Department from publicly disclosing the information. The Contractor shall provide written notice to the Department of any cause of action filed. If the Contractor fails to file a cause of action within thirty (30) days the Department may release the unredacted copy of the record to the requestor without liability.

If the Department is requested or compelled in any legal proceeding to disclose documents that are marked as "confidential" (whether by oral questions, interrogatories, requests for information or documents, subpoena, or similar process), unless otherwise prohibited by law, the Department shall give the Contractor prompt written notice of the demand or request prior to disclosing any Confidential Information to allow the Contractor to seek a protective order or other appropriate relief at the Contractor's sole discretion and expense. If the Contractor fails to take appropriate and timely action to protect the Confidential Information contained within documents it has marked as "confidential" or fails to provide a redacted copy that may be disclosed, the Department may provide the unredacted records in response to the demand without liability.

The Contractor shall protect, defend, and indemnify the Department for all claims, costs, fines, settlement fees, and attorneys' fees, at both the trial and appellate levels, arising from or relating to the Contractor's determination that its records contain Confidential Information. In the event of a third-party claim brought against the Department for failure to release the Contractor's redacted Confidential Information, the Contractor shall assume, at its sole expense, the defense or settlement of such claim, including attorney's fees and costs at both the trial and appellate levels. If the Contractor fails to continuously undertake the defense or settlement of such claim or if the Contractor and Department mutually agree that the Department is best suited to undertake the defense or settlement, the Department will have the right, but not the obligation, to undertake the defense or settlement of such claim, at its discretion. The Contractor shall be bound by any defense or settlement the Department may make as to such claim, and the Contractor agrees to reimburse the Department for the expense, including reasonable attorney's fees and costs at both the trial and appellate levels associated with any defense or settlement that the Department may undertake to defend Contractor's Confidential Information. The Department will also be entitled to join the Contractor in any third-party claim for the purpose of enforcing any right of indemnity under this section.

If at any point the Department is reasonably advised by its counsel that disclosure of the Confidential Information is required by law, including but not limited to Florida's public records laws, the Department may disclose such Confidential Information without liability hereunder.

**12.3 Public Records Requirements Pursuant to Section 119.0701, F.S.** Solely for the purpose of this section, the Department's Contract Manager is the agency custodian of public records. If, under the Term Contract, the Contractor is providing services and is acting on behalf of the public agency, as provided in section 119.0701, F.S., the Contractor shall:

- i. Keep and maintain public records required by the Department to perform the service.
- ii. Upon request from the Department's custodian of public records, provide the Department with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, F.S., or as otherwise provided by law.
- iii. Ensure that public records that are exempt or confidential and exempt from public records disclosure are not disclosed except as authorized by law for the duration of the Term Contract term and following the completion of the Term Contract if the Contractor does not transfer the records to the Department.
- iv. Upon completion of the Term Contract, transfer, at no cost, to the Department all public records in possession of the Contractor or keep and maintain public records required by the Department to perform the service. If the Contractor transfers all public records to the Department upon completion of the contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the Term Contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Department, upon request from the Department's custodian of public records, in a format that is compatible with the information technology systems of the Department.

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS TERM CONTRACT, CONTACT THE DEPARTMENT'S CUSTODIAN OF PUBLIC RECORDS AT [PUBLICRECORDS@DMS.FL.GOV](mailto:PUBLICRECORDS@DMS.FL.GOV), (850) 487-1082 OR 4050 ESPLANADE WAY, SUITE 160, TALLAHASSEE, FLORIDA 32399-0950.**

**12.4 Advertising.** Subject to Chapter 119, Florida Statutes, the Contractor shall not publicly disseminate any information concerning the Term Contract without prior written approval from the Department, including mentioning the Term Contract in a press release or other promotional material, identifying the Department or the State as a reference, or otherwise linking the Contractor's name and either a description of the Term Contract or the name of the Department or the State in any material published, either in print or electronically, to any entity that is not a party to the Term Contract, except potential or actual Customers or authorized distributors, dealers, resellers, or service representatives.

**12.5 Intellectual Property.**

**12.5.1 Ownership.** Unless specifically addressed otherwise in the Customer's contract, the State of Florida shall be the owner of all intellectual property rights to all new property created or developed in connection with the Customer's contract. This shall not apply

to intellectual property developed prior to the execution of the Term Contract.

**12.5.2 Patentable Inventions or Discoveries.** Any inventions or discoveries developed in the course, or as a result, of services in connection with the Customer's contract that are patentable pursuant to 35 U.S.C. § 101 are the sole property of the State of Florida. Contractor must inform the Customer and the Department of any inventions or discoveries developed or made through performance of the Customer's contract, and such inventions or discoveries will be referred to the Florida Department of State for a determination on whether patent protection will be sought. The State of Florida will be the sole owner of all patents resulting from any invention or discovery made through performance of the Customer's contract. This shall not apply to any invention or discovery made prior to the execution of the Term Contract.

**12.5.3 Copyrightable Works.** Contractor must notify the Customer and the Department of any publications, artwork, or other copyrightable works developed in connection with the Customer's contract. All copyrights created or developed through performance of the Customer's contract are owned solely by the State of Florida. This shall not apply to any copyrightable works created or developed prior to the execution of the Term Contract.

## **SECTION 13. DATA SECURITY.**

The Contractor will maintain the security of State of Florida data including, but not limited to, maintaining a secure area around any displayed visible data and ensuring data is stored and secured when not in use. "State of Florida data" means data collected by, transmitted from, created for, or provided by the Department or the Customer. The Contractor will not allow any State of Florida data to be sent by any medium, transmitted, or accessed outside the United States due to Contractor's action or inaction. In the event of a Security Incident involving State of Florida data, the Contractor shall give notice to the Customer and the Department within one business day of becoming aware of the Security Incident. "Security Incident" for purposes of this section will refer to an actual or imminent threat of a violation of information technology resources, security, policies, or practices, unauthorized access of State of Florida data, or occurrences that compromise the confidentiality, integrity, or availability of State of Florida data. An imminent threat refers to a situation in which the Contractor has a factual basis for believing that a specific incident is about to occur. Once a data breach has been contained, the Contractor must provide the Department and the Customer with a post-incident report documenting all containment, eradication, and recovery measures taken. The Department reserves the right in its sole discretion to enlist a third party to audit Contractor's findings and produce an independent report, and the Contractor will fully cooperate with the third party. The Contractor will also comply with all HIPAA requirements and any other current state and federal rules and regulations regarding security of information.

## **SECTION 14. CONTRACT MONITORING.**

**14.1 Performance Standards.** The Contractor agrees to perform all tasks and provide deliverables as set forth in the Term Contract. The Customer will be entitled at all times, upon request, to be advised as to the status of work being done by the Contractor and of the details thereof.

**14.2 Contract Reporting.** The Contractor shall provide the Department the following accurate and complete reports associated with this Term Contract.

14.2.1 **Term Contract Quarterly Sales Reports.** The Contractor shall submit Quarterly Sales Reports in the manner and format required by the Department within 30 calendar days after the close of each State fiscal quarter (the State's fiscal quarters close on September 30, December 31, March 31, and June 30).

The Quarterly Sales Report template can be found here: [Quarterly Sales Report Format / Vendor Resources / State Purchasing / Business Operations / Florida Department of Management Services - DMS \(myflorida.com\)](#). Initiation and submission of the most recent version of the Quarterly Sales Report posted on the DMS website is the responsibility of the Contractor without prompting or notification from the Department. Sales will be reviewed on a quarterly basis. If no sales are recorded in two consecutive quarters, the Contractor may be placed on probationary status, or the Department may terminate the Term Contract. Failure to provide the Quarterly Sales Report, or other reports requested by the Department, will result in the imposition of financial consequences and may result in the Contractor being found in default and the termination of the Term Contract.

14.2.2 **Certified and Minority Business Enterprises Reports.** Upon Customer request, the Contractor shall report to each Customer spend with certified and other minority business enterprises in the provision of commodities or services related to the Customer orders. These reports shall include the period covered; the name, minority code, and Vendor Identification Information of each minority business enterprise utilized during the period; commodities and services provided by the minority business enterprise; and the amount paid to each minority business enterprise on behalf of the Customer.

14.2.3 **Ad Hoc Sales Reports.** The Department may require additional Term Contract sales information such as copies of purchase orders or ad hoc sales reports. The Contractor shall submit these documents and reports in the format acceptable to the Department and within the timeframe specified by the Department.

14.2.4 **MFMP Transaction Fee Reports.** The Contractor shall submit complete monthly MFMP Transaction Fee Reports to the Department. Reports are due 15 calendar days after the end of each month. Information on how to submit MFMP Transaction Fee Reports online can be located at [https://www.dms.myflorida.com/business\\_operations/state\\_myfloridamarketplace/mfmp\\_vendors/transaction\\_fee\\_and\\_reporting](https://www.dms.myflorida.com/business_operations/state_myfloridamarketplace/mfmp_vendors/transaction_fee_and_reporting). Assistance with transaction fee reporting is also available by email at [feeprocessing@myfloridamarketplace.com](mailto:feeprocessing@myfloridamarketplace.com) or telephone at 866-FLA-EPRO (866-352-3776) from 8:00 a.m. to 6:00 p.m. Eastern Time.

14.3 **Business Review Meetings.** Both the Department and Customer reserve the right to schedule business review meetings. The Department or Customer may specify the format or agenda for the meeting. At a minimum, the Business Review Meeting may include the following topics:

- Term Contract or Customer contract compliance
- Term Contract savings (in dollar amount and cost avoidance)
- Spend reports by Customer
- Recommendations for improved compliance and performance

#### 14.4 Performance Deficiencies.

14.4.1 **Proposal of a Corrective Action Plan.** In addition to the processes set forth in the Term Contract (e.g., service level agreements), if the Customer or the Department determines that there is a performance deficiency that requires correction by the Contractor, then the Customer or the Department will notify the Contractor. The correction must be made within a timeframe specified by the Customer or the Department. The Contractor must provide the Customer or the Department with a corrective action plan describing how the Contractor will address all performance deficiencies identified by the Customer or the Department.

14.4.2 **Retainage for Unacceptable Corrective Action Plan or Plan Failure.** For Customer-requested Corrective Action Plans, if the corrective action plan is unacceptable to the Customer, or implementation of the plan fails to remedy the performance deficiencies, the Customer will retain ten percent (10%) of the total invoice amount. The retainage will be withheld until the Contractor resolves the performance deficiencies. If the performance deficiencies are resolved, the Contractor may invoice the Customer for the retained amount. If the Contractor fails to resolve the performance deficiencies, the retained amount will be forfeited to compensate the Customer for the performance deficiencies.

#### 14.5 Inspection.

14.5.1 **Inspection at Contractor's Site.** The Department reserves the right to inspect, or enlist a third-party to perform, at any reasonable time with prior notice, the equipment, product, plant or other facilities of the Contractor to assess conformity with Term Contract requirements and to determine whether they are adequate and suitable for proper and effective Term Contract performance.

14.5.2 **Statutory Inspection Rights.** If services are to be provided pursuant to the Term Contract, in accordance with section 216.1366, F.S., the Department is authorized to inspect the: (i) financial records, papers, and documents of the Contractor that are directly related to the performance of the Term Contract or the expenditure of State funds; and (ii) programmatic records, papers, and documents of the Contractor which the Department determines are necessary to monitor the performance of the Term Contract or to ensure that the terms of the Term Contract are being met. The Contractor shall provide such records, papers, and documents requested by the Department within ten (10) Business Days after the request is made.

Further, for any Term Contract for services with a nonprofit organization as defined in section 215.97(2)(m), F.S., the Contractor must provide documentation that indicates the amount of state funds:

1. Allocated to be used during the full term of the Term Contract for remuneration to any member of the board of directors or an officer of the contractor; and
2. Allocated under each payment by the public agency to be used for remuneration of any member of the board of directors or an officer of the contractor.

The documentation must indicate the amounts and recipients of the remuneration.



14.5.3 **Inspection Compliance.** The Contractor understands its, and its subcontractors (if any), duty, pursuant to section 20.055(5), F.S., to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing. Upon request of the Department's Inspector General, or other authorized State official, the Contractor shall provide any type of information the State official deems relevant to the Contractor's integrity or responsibility. Such information may include the Contractor's business or financial records, documents, or files of any type or form that refer to or relate to the Term Contract. The Contractor agrees to reimburse the State for the reasonable costs of investigation incurred by the Inspector General or other authorized State official for investigations of the Contractor's compliance with the terms of the Term Contract or any other agreement between the Contractor and the State which results in the suspension or debarment of the Contractor. Such costs will include salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for any costs of investigations that do not result in the Contractor's suspension or debarment.

## **SECTION 15. PERFORMANCE OR COMPLIANCE AUDITS.**

The Department may conduct or have conducted performance and/or compliance audits of the Contractor and subcontractors as determined by the Department. The Department may conduct an audit and review all the Contractor's and subcontractors' data and records that directly relate to the Term Contract. To the extent necessary to verify the Contractor's fees and claims for payment under the Term Contract, the Contractor's agreements or contracts with subcontractors, partners, or agents of the Contractor, pertaining to the Term Contract, may be inspected by the Department upon fifteen (15) calendar days' notice, during normal working hours and in accordance with the Contractor's facility access procedures where facility access is required. Release statements from its subcontractors, partners, or agents are not required for the Department or its designee to conduct compliance and performance audits on any of the Contractor's contracts relating to this Term Contract.

## **SECTION 16. CONFIDENTIALITY.**

The Contractor shall not divulge to third parties any confidential information obtained by the Contractor or its employees, subcontractors, or agents in the course of performing Term Contract work, including security procedures, business operations information, or commercial proprietary information in the possession of the Customer or State. The Contractor will not be required to keep confidential information or material that is publicly available through no fault of the Contractor, material that the Contractor developed independently without relying on the Customer's or State's confidential information, or material that is otherwise obtainable under State law as a public record. To ensure confidentiality, the Contractor shall take appropriate steps as to its employees, subcontractors, and agents.

## **SECTION 17. SUPPLIER DEVELOPMENT.**

17.1 **Office of Supplier Development.** The State of Florida supports its business community by creating opportunities for business enterprises to participate in procurements and contracts. The Department encourages supplier development through certain certifications and provides advocacy, outreach, and networking through regional business events. For additional information, please contact the Office of Supplier Development (OSD) at [OSDHelp@dms.fl.gov](mailto:OSDHelp@dms.fl.gov).

**17.2 Reporting Certified Business Enterprises.** Upon request, the Contractor will report to the Department its spend with business enterprises certified by the OSD. These reports must include the time period covered, the name and vendor identification information of each business enterprise utilized during the period, commodities and contractual services provided by the business enterprise, and the amount paid to the business enterprise on behalf of each agency purchasing under the Term Contract.



# Commonwealth of Kentucky

## MASTER AGREEMENT

CONTRACT INFORMATION		
<b>MASTER AGREEMENT NUMBER: MA 758 2500000414</b>		
Effective Date:	09/01/2024	Record Date:
Expiration Date:	08/31/2026	Procurement Folder: 1306457
Document Description:	Facilities MRO and Industrial Supplies NASPO (Fastenal)	Procurement Type: Standard Goods and Services
Cited Authority:	Competitive Negotiation-Goods and Services	Version Number: 1

CONTACT INFORMATION
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 daniel.salvato@ky.gov

VENDOR INFORMATION	
<b>Name /Address:</b>	<b>Contact:</b>
KY0028496: FASTENAL COMPANY	Ken Lyons
1030S 9TH STREET	3172238007
LOUISVILLE KY 40203	klyons@fastenal.com

COMMODITY / SERVICE INFORMATION							
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Line	Quantity	UOM	Unit Price	Service Amount	Service From	Service To	Line Total
1	1.00000	EA	\$0.010000	\$0.00			\$0.01

Facilities MRO and Industrial Supplies

**Extended Description:**

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	Document ID	Document Description	Page 2
2500000414	Draft	Facilities MRO and Industrial Supplies NASPO (Fastenal)	Total Pages: 2

See "Attachment A" for Terms and Conditions. The terms and conditions set out in "Attachment A" are incorporated into and are a part of the Contract.

**Master Agreement Number MA 758 2500000414**  
**for**  
**FACILITIES MRO AND INDUSTRIAL SUPPLIES**  
**between**  
**the State of Kentucky**  
**and**  
**Fastenal Company**

This Master Agreement is entered into by the State of Kentucky (“Lead State”) and the following contractor (each a “Party” and collectively the “Parties”) as a result of Solicitation Number RFP 758 2400000228 (the “RFP”) for the purpose of providing Facilities MRO and Industrial Supplies through the NASPO ValuePoint cooperative purchasing program:

Fastenal Company (“Contractor”)  
2001 Theurer Blvd.  
Winona, Mn. 55987

**MASTER AGREEMENT CONTACTS.**

Contractor’s contact for this Master Agreement is:

Zach Wise  
Government Sales Manager  
govsales@fastenal.com  
507-313-7206

Lead State’s contact for this Master Agreement is:

Daniel Salvato, CPPB, NIGP-CPP, KCPM  
Office of Procurement Services  
200 Mero Street, 5<sup>th</sup> Floor  
Frankfort, KY 40622  
(502) 564-5862  
[daniel.salvato@ky.gov](mailto:daniel.salvato@ky.gov)

**TERM.** This Master Agreement is effective as of the date of September 1, 2024, and will terminate on August 31, 2026 unless terminated sooner or extended or renewed in accordance with the terms set forth herein. Renewals totaling up to four years following the initial term may be exercised upon mutual agreement by the Parties.

**ATTACHMENTS.** This Master Agreement includes the following attachments:

- Attachment A: Master Agreement Terms and Conditions
- Exhibit 1: Description of Goods and/or Services and Discount Percentages
- Exhibit 2: Environmentally Preferred Products
- Exhibit 3: NASPO ValuePoint Sales Data Report Form

**SIGNATURE.** The undersigned for each Party represents and warrants that this Master Agreement is a valid and legal agreement binding on the Party and enforceable in accordance with the Master Agreement's terms and that the undersigned is duly authorized and has legal capacity to execute and deliver this Master Agreement and bind the Party hereto.

IN WITNESS WHEREOF, the Parties have executed this Master Agreement.

**CONTRACTOR:**

  
\_\_\_\_\_  
**Signature** **8/28/2024**  
**Date**

William Drazkowski, Executive Vice President  
\_\_\_\_\_  
**Printed Name and Title**

**LEAD STATE:**

DocuSigned by:  
  
\_\_\_\_\_  
**Signature** **8/30/2024**  
**Date**

Kathy Robinson, Executive Director  
\_\_\_\_\_  
**Printed Name and Title**

## Attachment A



### MASTER AGREEMENT TERMS AND CONDITIONS

#### NASPO VALUEPOINT MASTER AGREEMENT TERMS AND CONDITIONS

##### I. Definitions

- 1.1 **Acceptance** means acceptance of goods and services as set forth in Section IX of this Master Agreement.
- 1.2 **Contractor** means a party to this Master Agreement, whether a person or entity, that delivers goods or performs services under the terms set forth in this Master Agreement.
- 1.3 **Embedded Software** means one or more software applications which permanently reside on a computing device.
- 1.4 **Intellectual Property** means any and all patents, copyrights, service marks, trademarks, trade secrets, trade names, patentable inventions, or other similar proprietary rights, in tangible or intangible form, and all rights, title, and interest therein.
- 1.5 **Lead State** means the State centrally administering any resulting Master Agreement(s) who is a party to this Master Agreement.
- 1.6 **Master Agreement** means the underlying agreement executed by and between the Lead State, acting in cooperation with NASPO ValuePoint, and the Contractor, as now or hereafter amended.
- 1.7 **NASPO ValuePoint** is a division of the National Association of State Procurement Officials ("NASPO"), a 501(c)(3) corporation. NASPO ValuePoint facilitates administration of the NASPO cooperative group contracting consortium of state chief procurement officials for the benefit of state departments, institutions, agencies, and political subdivisions and other eligible entities (i.e., colleges, school districts, counties, cities, some nonprofit organizations, etc.) for all states, the District of Columbia, and territories of the United States. NASPO ValuePoint is identified in the Master Agreement as the recipient of reports and may perform contract administration functions relating to collecting and receiving reports, as well as other contract administration functions as assigned by the Lead State.

- 1.8 Order or Purchase Order** means any purchase order, sales order, contract or other document used by a Purchasing Entity to order the Products.
- 1.9 Participating Addendum** means a bilateral agreement executed by a Contractor and a Participating Entity incorporating this Master Agreement and any additional Participating Entity-specific language or other requirements (e.g., ordering procedures specific to the Participating Entity, entity-specific terms and conditions, etc.).
- 1.10 Participating Entity** means a state (as well as the District of Columbia and US territories), city, county, district, other political subdivision of a State, or a nonprofit organization under the laws of some states properly authorized to enter into a Participating Addendum, that has executed a Participating Addendum.
- 1.11 Participating State** means a state that has executed a Participating Addendum or has indicated an intent to execute a Participating Addendum.
- 1.12 Product or Products and Services** means any equipment, software (including embedded software), documentation, service, or other deliverable supplied or created by the Contractor pursuant to this Master Agreement. The term Product includes goods and services.
- 1.13 Purchasing Entity** means a state (as well as the District of Columbia and US territories), city, county, district, other political subdivision of a State, or a nonprofit organization under the laws of some states if authorized by a Participating Addendum, that issues a Purchase Order against the Master Agreement and becomes financially committed to the purchase.

## II. Term of Master Agreement

- 2.1 Initial Term.** The initial term of this Master Agreement is for two years. The term of this Master Agreement may be amended beyond the initial term for four additional years (two renewals for two years each) at the Lead State's discretion and by mutual agreement and upon review of requirements of Participating Entities, current market conditions, and Contractor performance. The Lead State may, prior to execution, adjust the effective date or duration of the initial term or renewal period of any Master Agreement for the purpose of making the Master Agreement coterminous with others.
- 2.2 Amendment Limitations.** The terms of this Master Agreement will not be waived, altered, modified, supplemented, or amended in any manner whatsoever without prior written agreement of the Lead State and Contractor.
- 2.3 Amendment Term.** The term of the Master Agreement may be amended past the initial term and stated renewal periods for a reasonable period if in



the judgment of the Lead State a follow-on competitive procurement will be unavoidably delayed (despite good faith efforts) beyond the planned date of execution of the follow-on master agreement. This subsection will not be deemed to limit the authority of a Lead State under its state law to otherwise negotiate contract extensions.

### III. Order of Precedence

**3.1 Order.** Any Order placed under this Master Agreement will consist of the following documents:

- 3.1.1** A Participating Entity's Participating Addendum ("PA");
- 3.1.2** NASPO ValuePoint Master Agreement, including all attachments thereto;
- 3.1.3** A Purchase Order or Scope of Work/Specifications issued against the Master Agreement;
- 3.1.4** The Solicitation or, if separately executed after award, the Lead State's bilateral agreement that integrates applicable provisions;
- 3.1.5** Contractor's response to the Solicitation, as revised (if permitted) and accepted by the Lead State.

**3.2 Conflict.** These documents will be read to be consistent and complementary. Any conflict among these documents will be resolved by giving priority to these documents in the order listed above. Contractor terms and conditions that apply to this Master Agreement are only those that are expressly accepted by the Lead State and must be in writing and attached to this Master Agreement as an Exhibit or Attachment.

**3.3 Participating Addenda.** Participating Addenda will not be construed to diminish, modify, or otherwise derogate any provisions in this Master Agreement between the Lead State and Contractor. The term of a Participating Addendum will not exceed the term of this Master Agreement, except when a Participating Entity determines an extension of its Participating Addendum is necessary to avoid a lapse in contract coverage and is permitted by law.

### IV. Participants and Scope

**4.1 Requirement for a Participating Addendum.** Contractor may not deliver Products under this Master Agreement until a Participating Addendum acceptable to the Participating Entity and Contractor is executed.

**4.2 Applicability of Master Agreement.** NASPO ValuePoint Master Agreement Terms and Conditions are applicable to any Order by a Participating Entity (and other Purchasing Entities covered by their Participating Addendum), except to the extent altered, modified, supplemented or amended by a

Participating Addendum, subject to Section III. For the purposes of illustration and not limitation, this authority may apply to unique delivery and invoicing requirements, confidentiality requirements, defaults on Orders, governing law and venue relating to Orders by a Participating Entity, indemnification, and insurance requirements. Statutory or constitutional requirements relating to availability of funds may require specific language in some Participating Addenda in order to comply with applicable law. The expectation is that these alterations, modifications, supplements, or amendments will be addressed in the Participating Addendum or, with the consent of the Purchasing Entity and Contractor, may be included in the ordering document (e.g., purchase order or contract) used by the Purchasing Entity to place the Order.

**4.3 Obligated Entities.** Obligations under this Master Agreement are limited to those Participating Entities who have signed a Participating Addendum and Purchasing Entities within the scope of those Participating Addenda. States or other entities permitted to participate may use an informal competitive process to determine which Master Agreements to participate in through execution of a Participating Addendum. Participating Entities incur no financial obligations on behalf of other Purchasing Entities.

**4.4 Notice of Participating Addendum.** Contractor shall email a fully executed PDF copy of each Participating Addendum to [pa@naspo.valuepoint.org](mailto:pa@naspo.valuepoint.org) to support documentation of participation and posting in appropriate databases.

#### **4.5 Participating Entities.**

**4.5.1** If not proscribed by law or by the Chief Procurement Official of the state in which the entity is located, an entity may be eligible to execute a Participating Addendum directly with Contractor. Such entities may include:

**4.5.1.1** Political subdivisions, public agencies, and service districts;

**4.5.1.2** Public and private educational institutions, including K-12 public, charter, and private schools; institutions of higher education; and trade schools;

**4.5.1.3** Federally recognized tribes;

**4.5.1.4** Quasi-governmental entities; and

**4.5.1.5** Eligible non-profit organizations.

**4.5.2** Prior to execution of a Participating Addendum with an entity listed above, Contractor shall coordinate with NASPO to confirm the entity's eligibility to execute a Participating Addendum. A determination that an entity is eligible to execute a Participating Addendum is not a determination that procurement authority exists;

each entity must ensure it has the requisite procurement authority to execute a Participating Addendum.

**4.6 Prohibition on Resale.** Subject to any specific conditions included in the solicitation or Contractor's proposal as accepted by the Lead State, or as explicitly permitted in a Participating Addendum, Purchasing Entities may not resell Products purchased under this Master Agreement. Absent any such condition or explicit permission, this limitation does not prohibit: payments by employees of a Purchasing Entity for Products; sales of Products to the general public as surplus property; and fees associated with inventory transactions with other governmental or nonprofit entities and consistent with a Purchasing Entity's laws and regulations. Any sale or transfer permitted by this subsection must be consistent with license rights granted for use of intellectual property.

**4.7 Individual Customers.** Except as may otherwise be agreed to by the Purchasing Entity and Contractor, each Purchasing Entity shall follow the terms and conditions of the Master Agreement and applicable Participating Addendum and will have the same rights and responsibilities for their purchases as the Lead State has in the Master Agreement and as the Participating Entity has in the Participating Addendum, including but not limited to any indemnity or right to recover any costs as such right is defined in the Master Agreement and applicable Participating Addendum for their purchases. Each Purchasing Entity will be responsible for its own charges, fees, and liabilities. The Contractor will apply the charges and invoice each Purchasing Entity individually.

**4.8 Release of Information.** Throughout the duration of this Master Agreement, Contractor must secure from the Lead State prior approval for the release of information that pertains to the potential work or activities covered by the Master Agreement. This limitation does not preclude publication about the award of the Master Agreement or marketing activities consistent with any proposed and accepted marketing plan.

**4.9 No Representations.** The Contractor shall not make any representations of NASPO ValuePoint, the Lead State, any Participating Entity, or any Purchasing Entity's opinion or position as to the quality or effectiveness of the services that are the subject of this Master Agreement without prior written consent.

## V. NASPO ValuePoint Provisions

**5.1 Applicability.** NASPO ValuePoint is not a party to the Master Agreement. The terms set forth in Section V are for the benefit of NASPO ValuePoint as a third-party beneficiary of this Master Agreement.

### 5.2 Administrative Fees

**5.2.1 NASPO ValuePoint Fee.** Contractor shall pay to NASPO ValuePoint, or its assignee, a NASPO ValuePoint Administrative Fee of one-quarter of one percent (0.25% or 0.0025) no later than sixty (60) days following the end of each calendar quarter. The NASPO ValuePoint Administrative Fee must be submitted quarterly and is based on all sales of products and services under the Master Agreement (less any charges for taxes or shipping). The NASPO ValuePoint Administrative Fee is not negotiable. This fee is to be included as part of the pricing submitted with a vendor's response to the Lead State's solicitation.

**5.2.2 State Imposed Fees.** Some states may require an additional fee be paid by Contractor directly to the state on purchases made by Purchasing Entities within that state. For all such requests, the fee rate or amount, payment method, and schedule for such reports and payments will be incorporated into the applicable Participating Addendum. Unless agreed to in writing by the state, Contractor may not adjust the Master Agreement pricing to include the state fee for purchases made by Purchasing Entities within the jurisdiction of the state. No such agreement will affect the NASPO ValuePoint Administrative Fee percentage or the prices paid by Purchasing Entities outside the jurisdiction of the state requesting the additional fee.

### **5.3 NASPO ValuePoint Summary and Detailed Usage Reports**

**5.3.1 Sales Data Reporting.** In accordance with this section, Contractor shall report to NASPO ValuePoint all Orders under this Master Agreement for which Contractor has invoiced the ordering entity or individual, including Orders invoiced to Participating Entity or Purchasing Entity employees for personal use if such use is permitted by this Master Agreement and the applicable Participating Addendum ("Sales Data"). Timely and complete reporting of Sales Data is a material requirement of this Master Agreement. Reporting requirements, including those related to the format, contents, frequency, or delivery of reports, may be updated by NASPO ValuePoint with reasonable notice to Contractor and without amendment to this Master Agreement. NASPO ValuePoint shall have exclusive ownership of any media on which reports are submitted and shall have a perpetual, irrevocable, non-exclusive, royalty free, and transferable right to display, modify, copy, and otherwise use reports, data, and information provided under this section.

**5.3.2 Summary Sales Data.** “Summary Sales Data” is Sales Data reported as cumulative totals by state. Contractor shall, using the reporting tool or template provided by NASPO ValuePoint, report Summary Sales Data to NASPO ValuePoint for each calendar quarter no later than thirty (30) days following the end of the quarter. If Contractor has no reportable Sales Data for the quarter, Contractor shall submit a zero-sales report.

**5.3.3 Detailed Sales Data.** “Detailed Sales Data” is Sales Data that includes for each Order all information required by the Solicitation or by NASPO ValuePoint, including customer information, Order information, and line-item details. Contractor shall, using the reporting tool or template provided by NASPO ValuePoint, report Detailed Sales Data to NASPO ValuePoint for each calendar quarter no later than thirty (30) days following the end of the quarter. Detailed Sales Data shall be reported in the format provided in the Solicitation or provided by NASPO ValuePoint. The total sales volume of reported Detailed Sales Data shall be consistent with the total sales volume of reported Summary Sales Data.

**5.3.4 Sales Data Crosswalks.** Intentionally omitted.

**5.3.5 Executive Summary.** Contractor shall, upon request by NASPO ValuePoint, provide NASPO ValuePoint with an executive summary that includes but is not limited to a list of states with an active Participating Addendum, states with which Contractor is in negotiations, and any Participating Addendum roll-out or implementation activities and issues. NASPO ValuePoint and Contractor will determine the format and content of the executive summary.

#### **5.4 NASPO ValuePoint Cooperative Program Marketing, Training, and Performance Review**

**5.4.1 Staff Education.** Contractor shall work cooperatively with NASPO ValuePoint personnel. Contractor shall present plans to NASPO ValuePoint for the education of Contractor’s contract administrator(s) and sales/marketing workforce regarding the Master Agreement contract, including the competitive nature of NASPO ValuePoint procurements, the master agreement and participating addendum process, and the manner in which eligible entities can participate in the Master Agreement.

**5.4.2 Onboarding Plan.** Upon request by NASPO ValuePoint, Contractor shall, as Participating Addendums are executed, provide plans to launch the program for the Participating Entity. Plans will

include time frames to launch the agreement and confirmation that the Contractor's website has been updated to properly reflect the scope and terms of the Master Agreement as available to the Participating Entity and eligible Purchasing Entities.

- 5.4.3 Annual Contract Performance Review.** Contractor shall participate in an annual contract performance review with the Lead State and NASPO ValuePoint, which may at the discretion of the Lead State be held in person and which may include a discussion of marketing action plans, target strategies, marketing materials, Contractor reporting, and timeliness of payment of administration fees.
- 5.4.4 Use of NASPO ValuePoint Logo.** The NASPO ValuePoint logos may not be used by Contractor in sales and marketing until a separate logo use agreement is executed with NASPO ValuePoint.
- 5.4.5 Most Favored Customer.** Contractor shall, within thirty (30) days of their effective date, notify the Lead State and NASPO ValuePoint of any contractual most-favored-customer provisions in third-party contracts or agreements that may affect the promotion of this Master Agreement or whose terms provide for adjustments to future rates or pricing based on rates, pricing in, or Orders from this Master Agreement. Upon request of the Lead State or NASPO ValuePoint, Contractor shall provide a copy of any such provisions.

## **5.5 NASPO ValuePoint eMarketPlace**

- 5.5.1** The NASPO ValuePoint cooperative provides an eMarketPlace for public entities to access a central online platform to view and/or purchase the goods, services, and solutions available from NASPO ValuePoint's cooperative Master Agreements. This eMarketPlace is provided by NASPO at no additional cost to the Contractor or public entities. Its purpose is to facilitate the connection of public entities with Contractors who meet the requisite needs for a good, service, or solution by that entity through a NASPO ValuePoint Master Agreement.
- 5.5.2** Contractor shall cooperate in good faith with NASPO, and any third party acting as an agent on behalf of NASPO, to integrate Contractor's industry presence by either an electronic hosted catalog, punchout site, or providing eQuotes through the NASPO eMarketPlace, per the Implementation Timeline as further described below.
- 5.5.3** Regardless of how Contractor's presence is reflected in the eMarketPlace (*i.e.*, hosted catalog, punchout site, or eQuote),

Contractor's listed offerings must be strictly limited to Contractor's awarded contract offerings through the NASPO award. Products and/or services not authorized through the resulting NASPO cooperative contract should not be viewable by NASPO ValuePoint eMarketPlace users. Furthermore, products and/or services not authorized through a Participating Addendum should not be viewable by NASPO ValuePoint eMarketPlace users utilizing that Participating Addendum. The accuracy of Contractor's offerings through the eMarketPlace must be maintained by Contractor throughout the duration of the Master Agreement.

- 5.5.4** Contractor agrees that NASPO controls which Master Agreements appear in the eMarketPlace and that NASPO may elect at any time to remove any of Contractor's offerings from the eMarketPlace.
- 5.5.5** Contractor is solely responsible for the accuracy, quality, and legality of Contractor's Content on the eMarketPlace. "Content" means all information that is generated, submitted, or maintained by Contractor or otherwise made available by Contractor on the eMarketPlace, including Contractor catalogs. Contractor's Content shall comply with and accurately reflect the terms and pricing of this Master Agreement.
- 5.5.6** Contractor's use of the eMarketPlace shall comply with the eMarketPlace's Terms of Use.
- 5.5.7** Contractor is solely responsible for the security and accuracy of transactions facilitated through the eMarketPlace, including the assessment, collection, and remittance of any sales tax.
- 5.5.8** Lead State reserves the right to approve all pricing, catalogs, and information on the eMarketPlace. This catalog review right is solely for the benefit of the Lead State and Participating Entities, and the review and approval shall not waive the requirement that products and services be offered at prices required by the Master Agreement.
- 5.5.9** NASPO Participating Entities may have their own procurement system, separate from the NASPO eMarketPlace, that enables the use of certain NASPO Master Agreements. In the event one of these entities elects to use this NASPO ValuePoint Master Agreement (available through the eMarketPlace) but publish to their own eMarketPlace, Contractor agrees to work in good faith with the entity and NASPO to implement the catalog.
- 5.5.10** In the event a Participating Entity has entity-specific catalog requirements set forth in its Participating Addendum (e.g., entity-

specific pricing, restrictions in the scope of offerings, etc.), Contractor shall ensure its eMarketPlace Content for that Participating Entity accurately reflects and is compliant with these requirements.

**5.5.11 Implementation Timeline:** Following the execution of Contractor's Master Agreement, NASPO will provide a written request to Contractor to begin the onboarding process into the eMarketPlace. Contractor shall have fifteen (15) days from receipt of written request to work with NASPO to set up an enablement schedule, at which time the technical documentation for onboarding shall be provided to Contractor. The schedule will include future calls and milestone dates related to test and go live dates.

**5.5.11.1** Contractor's NASPO eMarketPlace account with eQuoting functionality shall minimally be established within thirty (30) days following the written request.

**5.5.11.2** Contractor shall deliver either a (1) hosted catalog or (2) punchout site, pursuant to the mutually agreed upon enablement schedule.

**5.5.11.3** NASPO will work with Contractor to decide which structures between hosted catalog, punchout site, and/or eQuoting as further described below will be provided by Contractor.

**5.5.11.3.1 Hosted Catalog.** By providing a hosted catalog, Contractor is providing a list of its awarded products/services and pricing in an electronic data file in a format acceptable to NASPO, such as a tab delimited text file. Contractor is solely responsible for ensuring the most up-to-date versions of its product/service offerings approved by the Lead State under this Master Agreement are reflected in the eMarketPlace.

**5.5.11.3.2 Punchout Site.** By providing a punchout site, Contractor is providing its own online catalog, which must be capable of being integrated with the eMarketPlace as a Standard punchout via Commerce eXtensible Markup Language (cXML). Contractor shall validate that its online catalog is up-to-date. The site must also return detailed UNSPSC codes for each line item.



**5.5.11.3.3eQuoting.** NASPO will work with Contractor to set up participation and use to provide eQuotes through the NASPO eMarketPlace. This requirement would be in addition to any requirement to provide a hosted catalog or punchout site.

**5.5.12** Hosted catalogs and punchout sites will provide all of the eMarketPlace standard data elements/information including, but not limited to, the following:

- 5.5.12.1** The most current pricing, including all applicable administrative fees and/or discounts, as well as the most up-to-date product/service offering the Contractor is authorized to provide in accordance with this Master Agreement;
- 5.5.12.2** A Lead State contract identification number for this Master Agreement;
- 5.5.12.3** Detailed product line item descriptions;
- 5.5.12.4** Pictures illustrating products, services, or solutions where practicable; and
- 5.5.12.5** Any additional NASPO, Lead State, or Participating Addendum requirements.

**5.6 Cancellation.** In consultation with NASPO ValuePoint, the Lead State may, in its discretion, cancel the Master Agreement or not exercise an option to renew, when utilization of Contractor's Master Agreement does not warrant further administration of the Master Agreement. The Lead State may also exercise its right to not renew the Master Agreement if the Contractor fails to record or report revenue for three consecutive quarters, upon 60-calendar day written notice to the Contractor. Cancellation based on nonuse or under-utilization will not occur sooner than two years after execution of the Master Agreement. This subsection does not limit the discretionary right of either the Lead State or Contractor to cancel the Master Agreement or terminate for default subject to the terms herein. This subsection also does not limit any right of the Lead State to cancel the Master Agreement under applicable laws.

**5.7 Canadian Participation.** Subject to the approval of Contractor, any Canadian provincial government or provincially funded entity in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec, or Saskatchewan, and territorial government or territorial government funded entity in the Northwest

Territories, Nunavut, or Yukon, including municipalities, universities, community colleges, school boards, health authorities, housing authorities, agencies, boards, commissions, and crown corporations, may be eligible to use Contractor's Master Agreement.

**5.8 Additional Agreement with NASPO.** Upon request by NASPO ValuePoint, awarded Contractor shall enter into a direct contractual relationship with NASPO ValuePoint related to Contractor's obligations to NASPO ValuePoint under the terms of the Master Agreement, the terms of which shall be the same or similar (and not less favorable) than the terms set forth in the Master Agreement.

## **VI. Pricing, Payment & Leasing**

**6.1 Pricing.** The discount percentages contained in this Master Agreement or offered under this Master Agreement represent the minimum discount to any Purchasing Entity.

**6.1.1** All discount percentages must be guaranteed for the term of the Master Agreement.

**6.1.2** Pricing shall be held static, or reduced, from order through delivery. No pricing increases between order and delivery shall be accepted.

**6.1.3** Any adjustment or amendment to the Master Agreement will not be effective unless approved in writing by the Lead State and Contractor.

**6.1.4** No retroactive adjustments to prices or rates will be allowed.

**6.2 Payment.** Unless otherwise agreed upon in a Participating Addendum or Order, Payment after Acceptance will be made within thirty (30) days following the date the entire order is delivered or the date a correct invoice is received, whichever is later. After 45 days the Contractor may assess overdue account charges up to a maximum rate of one percent per month on the outstanding balance, unless a different late payment amount is specified in a Participating Addendum or Order, or otherwise prescribed by applicable law. Payments will be remitted in the manner specified in the Participating Addendum or Order. Payments may be made via a purchasing card with no additional charge.

**6.3 Leasing or Alternative Financing Methods.** The procurement and other applicable laws of some Purchasing Entities may permit the use of leasing or alternative financing methods for the acquisition of Products under this Master Agreement. Where the terms and conditions are not otherwise prescribed in an applicable Participating Addendum, the terms and conditions for leasing or alternative financing methods are subject to negotiation between the Contractor and Purchasing Entity.

## VII. Ordering

- 7.1 Order Numbers.** Master Agreement order and purchase order numbers must be clearly shown on all acknowledgments, packing slips, invoices, and on all correspondence.
- 7.2 Quotes.** Purchasing Entities may define entity-specific or project-specific requirements and informally compete the requirement among companies having a Master Agreement on an “as needed” basis. This procedure may also be used when requirements are aggregated or other firm commitments may be made to achieve reductions in pricing. This procedure may be modified in Participating Addenda and adapted to the Purchasing Entity’s rules and policies. The Purchasing Entity may in its sole discretion determine which Master Agreement Contractors should be solicited for a quote. The Purchasing Entity may select the quote that it considers most advantageous, cost, and other factors considered.
- 7.3 Applicable Rules.** Each Purchasing Entity will identify and utilize its own appropriate purchasing procedure and documentation. Contractor is expected to become familiar with the Purchasing Entities’ rules, policies, and procedures regarding the ordering of supplies and/or services contemplated by this Master Agreement.
- 7.4 Required Documentation.** Contractor shall not begin work without a valid Purchase Order or other appropriate commitment document under the law of the Purchasing Entity.
- 7.5 Term of Purchase.** Orders may be placed consistent with the terms of this Master Agreement and applicable Participating Addendum during the term of the Master Agreement and Participating Addendum.
- 7.5.1** Orders must be placed pursuant to this Master Agreement prior to the termination date thereof, but may have a delivery date or performance period up to 120 days past the then-current termination date of this Master Agreement.
- 7.5.2** Notwithstanding the previous, Orders must also comply with the terms of the applicable Participating Addendum, which may further restrict the period during which Orders may be placed or delivered.
- 7.5.3** Financial obligations of Purchasing Entities payable after the current applicable fiscal year are contingent upon agency funds for that purpose being appropriated, budgeted, and otherwise made available.
- 7.5.4** Notwithstanding the expiration, cancellation or termination of this Master Agreement, Contractor shall perform in accordance with the terms of any Orders then outstanding at the time of such expiration

or termination. Contractor shall not honor any Orders placed after the expiration, cancellation, or termination of this Master Agreement, or in any manner inconsistent with this Master Agreement's terms.

**7.5.5** Orders for any separate indefinite quantity, task order, or other form of indefinite delivery order arrangement priced against this Master Agreement may not be placed after the expiration or termination of this Master Agreement, notwithstanding the term of any such indefinite delivery order agreement.

**7.6 Order Form Requirements.** All Orders pursuant to this Master Agreement, at a minimum, must include:

**7.6.1** The services or supplies being delivered;

**7.6.2** A shipping address and other delivery requirements, if any;

**7.6.3** A billing address;

**7.6.4** Purchasing Entity contact information;

**7.6.5** Pricing consistent with this Master Agreement and applicable Participating Addendum and as may be adjusted by agreement of the Purchasing Entity and Contractor;

**7.6.6** A not-to-exceed total for the products or services being ordered; and

**7.6.7** The Master Agreement number or the applicable Participating Addendum number, provided the Participating Addendum references the Master Agreement number.

**7.7 Communication.** All communications concerning administration of Orders placed must be furnished solely to the authorized purchasing agent within the Purchasing Entity's purchasing office, or to such other individual identified in writing in the Order.

**7.8 Contract Provisions for Orders Utilizing Federal Funds.** Pursuant to Appendix II to 2 Code of Federal Regulations (CFR) Part 200, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, Orders funded with federal funds may have additional contractual requirements or certifications that must be satisfied at the time the Order is placed or upon delivery. These federal requirements may be proposed by Participating Entities in Participating Addenda and Purchasing Entities for incorporation in Orders placed under this Master Agreement.

## VIII. Shipping and Delivery

**8.1 Shipping Terms.** All deliveries, except as noted below, will be F.O.B. destination, freight pre-paid, with all transportation and handling charges paid by the Contractor.

**8.1.1** Additional shipping charges for oversized or overweight items that require special shipping are allowed but must be identified as part of the ordering process.

**8.1.2** Notwithstanding the above, responsibility and liability for loss or damage will remain the Contractor's until final inspection and acceptance when responsibility will pass to the Purchasing Entity except as to latent defects, fraud, and Contractor's warranty obligations.

**8.2 Minimum Shipping.** The minimum shipment amount, if any, must be contained in the Master Agreement. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an Order to be shipped without transportation charges that is back ordered will be shipped without charge.

**8.3 Inside Deliveries.** To the extent applicable, all deliveries will be "Inside Deliveries" as designated by a representative of the Purchasing Entity placing the Order. Inside Delivery refers to a delivery to a location other than a loading dock, front lobby, or reception area. Specific delivery instructions will be noted on the order form or Purchase Order. Costs to repair any damage to the building interior (e.g., scratched walls, damage to the freight elevator, etc.) caused by Contractor or Contractor's carrier will be the responsibility of the Contractor. Immediately upon becoming aware of such damage, Contractor shall notify the Purchasing Entity placing the Order.

**8.4 Packaging.** All products must be delivered in the manufacturer's standard package. Costs must include all packing and/or crating charges. Cases must be of durable construction, in good condition, properly labeled and suitable in every respect for storage and handling of contents. Each shipping carton must be marked with the commodity, brand, quantity, item code number and the Purchasing Entity's Purchase Order number.

## IX. Inspection and Acceptance

**9.1 Laws and Regulations.** Any and all Products offered and furnished must comply fully with all applicable Federal, State, and local laws and regulations.

**9.2 Applicability.** Unless otherwise specified in the Master Agreement, Participating Addendum, or ordering document, the terms of this Section IX will apply. This section is not intended to limit rights and remedies under the applicable commercial code.

**9.3 Inspection.** All Products are subject to inspection at reasonable times and places before Acceptance. Contractor shall provide right of access to the Lead State, or to any other authorized agent or official of the Lead State or other Participating or Purchasing Entity, at reasonable times, to monitor and evaluate performance, compliance, and/or quality assurance requirements under this Master Agreement.

**9.3.1** Products that do not meet specifications may be rejected. Failure to reject upon receipt, however, does not relieve the contractor of liability for material (nonconformity that substantially impairs value) latent or hidden defects subsequently revealed when goods are put to use.

**9.3.2** Acceptance of such goods may be revoked in accordance with the provisions of the applicable commercial code, and the Contractor is liable for any resulting expense incurred by the Purchasing Entity related to the preparation and shipping of Product rejected and returned, or for which Acceptance is revoked.

**9.4 Failure to Conform.** If any services do not conform to contract requirements, the Purchasing Entity may require the Contractor to perform the services again in conformity with contract requirements, at no increase in Order amount. When defects cannot be corrected by re-performance, the Purchasing Entity may require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and reduce the contract price to reflect the reduced value of services performed.

**9.5 Acceptance Testing.** Purchasing Entity may establish a process, in keeping with industry standards, to ascertain whether the Product meets the standard of performance or specifications prior to Acceptance by the Purchasing Entity.

**9.5.1** The Acceptance Testing period will be thirty (30) calendar days, unless otherwise specified, starting from the day after the Product is delivered or, if installed by Contractor, the day after the Product is installed and Contractor certifies that the Product is ready for Acceptance Testing.

**9.5.2** If the Product does not meet the standard of performance or specifications during the initial period of Acceptance Testing, Purchasing Entity may, at its discretion, continue Acceptance Testing on a day-to-day basis until the standard of performance is met.

**9.5.3** Upon rejection, the Contractor will have fifteen (15) calendar days to cure. If after the cure period, the Product still has not met the standard of performance or specifications, the Purchasing Entity

may, at its option: (a) declare Contractor to be in breach and terminate the Order; (b) demand replacement Product from Contractor at no additional cost to Purchasing Entity; or, (c) continue the cure period for an additional time period agreed upon by the Purchasing Entity and the Contractor.

**9.5.4** Contractor shall pay all costs related to the preparation and shipping of Product returned pursuant to the section.

**9.5.5** No Product will be deemed Accepted and no charges will be paid until the standard of performance or specification is met.

## **X. Warranty**

**10.1 Applicability.** Unless otherwise specified in the Master Agreement, Participating Addendum, or ordering document, the terms of this Section X will apply.

**10.2 Warranty.** The Contractor warrants for a period of one year from the date of Acceptance that: (a) the Product performs according to all specific claims that the Contractor made in its response to the solicitation, (b) the Product is suitable for the ordinary purposes for which such Product is used, (c) the Product is suitable for any special purposes identified in the solicitation or for which the Purchasing Entity has relied on the Contractor's skill or judgment, (d) the Product is designed and manufactured in a commercially reasonable manner, and (e) the Product is free of defects.

**10.3 Breach of Warranty.** Upon breach of the warranty set forth above, the Contractor will repair or replace (at no charge to the Purchasing Entity) the Product whose nonconformance is discovered and made known to the Contractor. If the repaired and/or replaced Product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made.

**10.4 Rights Reserved.** The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation, actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

**10.5 Warranty Period Start Date.** The warranty period will begin upon Acceptance, as set forth in Section IX.

## **XI. Product Title**

**11.1 Conveyance of Title.** Upon Acceptance by the Purchasing Entity, Contractor shall convey to Purchasing Entity title to the Product free and clear of all liens, encumbrances, or other security interests.

**11.2 Embedded Software.** Transfer of title to the Product must include an irrevocable and perpetual license to use any Embedded Software in the Product. If Purchasing Entity subsequently transfers title of the Product to another entity, Purchasing Entity shall have the right to transfer the license to use the Embedded Software with the transfer of Product title. A subsequent transfer of this software license will be at no additional cost or charge to either Purchasing Entity or Purchasing Entity's transferee.

**11.3 License of Pre-Existing Intellectual Property.** Contractor grants to the Purchasing Entity a nonexclusive, perpetual, royalty-free, irrevocable, license to use, publish, translate, reproduce, transfer with any sale of tangible media or Product, perform, display, and dispose of the Intellectual Property, and its derivatives, used or delivered under this Master Agreement, but not created under it ("Pre-existing Intellectual Property"). The Contractor shall be responsible for ensuring that this license is consistent with any third-party rights in the Pre-existing Intellectual Property.

## **XII. Indemnification**

**12.1 General Indemnification.** The Contractor shall defend, indemnify and hold harmless NASPO, NASPO ValuePoint, the Lead State, Participating Entities, and Purchasing Entities, along with their officers and employees, from and against third-party claims, damages or causes of action including reasonable attorneys' fees and related costs for any death, injury, or damage to tangible property arising from any act, error, or omission of the Contractor, its employees or subcontractors or volunteers, at any tier, relating to performance under this Master Agreement.

**12.2 Intellectual Property Indemnification.** The Contractor shall defend, indemnify and hold harmless NASPO, NASPO ValuePoint, the Lead State, Participating Entities, Purchasing Entities, along with their officers and employees ("Indemnified Party"), from and against claims, damages or causes of action including reasonable attorneys' fees and related costs arising out of the claim that the Product or its use infringes Intellectual Property rights of another person or entity ("Intellectual Property Claim").

**12.2.1** The Contractor's obligations under this section will not extend to any combination of the Product with any other product, system or method, unless the Product, system or method is:

**12.2.1.1** provided by the Contractor or the Contractor's subsidiaries or affiliates;

**12.2.1.2** specified by the Contractor to work with the Product;

**12.2.1.3** reasonably required to use the Product in its intended manner, and the infringement could not have been avoided by substituting another reasonably available



product, system or method capable of performing the same function; or

**12.2.1.4** reasonably expected to be used in combination with the Product.

**12.2.2** The Indemnified Party shall notify the Contractor within a reasonable time after receiving notice of an Intellectual Property Claim. Even if the Indemnified Party fails to provide reasonable notice, the Contractor shall not be relieved from its obligations unless the Contractor can demonstrate that it was prejudiced in defending the Intellectual Property Claim resulting in increased expenses or loss to the Contractor. If the Contractor promptly and reasonably investigates and defends any Intellectual Property Claim, it shall have control over the defense and settlement of the Intellectual Property Claim. However, the Indemnified Party must consent in writing for any money damages or obligations for which it may be responsible.

**12.2.3** The Indemnified Party shall furnish, at the Contractor's reasonable request and expense, information and assistance necessary for such defense. If the Contractor fails to vigorously pursue the defense or settlement of the Intellectual Property Claim, the Indemnified Party may assume the defense or settlement of the Intellectual Property Claim and the Contractor shall be liable for all costs and expenses, including reasonable attorneys' fees and related costs, incurred by the Indemnified Party in the pursuit of the Intellectual Property Claim.

**12.2.4** Unless otherwise set forth herein, Section 12.2 is not subject to any limitations of liability in this Master Agreement or in any other document executed in conjunction with this Master Agreement.

### **XIII. Insurance**

**13.1 Term.** Contractor shall, during the term of this Master Agreement, maintain in full force and effect, the insurance described in this section. A Participating Entity may negotiate alternative Insurance requirements in their Participating Addendum.

**13.2 Class.** Contractor shall acquire such insurance from an insurance carrier or carriers licensed to conduct business in each Participating Entity's state and having a rating of A-, Class VII or better, in the most recently published edition of A.M. Best's Insurance Reports. Failure to buy and maintain the required insurance may result in this Master Agreement's termination or, at a

Participating Entity's option, result in termination of its Participating Addendum.

**13.3 Coverage.** Coverage must be written on an occurrence basis. The minimum acceptable limits will be as indicated below:

**13.3.1** Contractor shall maintain Commercial General Liability insurance covering premises operations, independent contractors, products and completed operations, blanket contractual liability, personal injury (including death), advertising liability, and property damage, with a limit of not less than \$1 million per occurrence and \$2 million general aggregate;

**13.3.2** Contractor must comply with any applicable State Workers Compensation or Employers Liability Insurance requirements.

**13.4 Notice of Cancellation.** Contractor shall pay premiums on all insurance policies. Contractor shall provide notice to a Participating Entity who is a state within five (5) business days after Contractor is first aware of expiration, cancellation or nonrenewal of such policy or is first aware that cancellation is threatened or expiration, nonrenewal or expiration otherwise may occur.

**13.5 Notice of Endorsement.** Prior to commencement of performance, Contractor shall provide to the Lead State a written endorsement to the Contractor's general liability insurance policy or other documentary evidence acceptable to the Lead State that (1) provides that written notice of cancellation will be delivered in accordance with the policy provisions, and (2) provides that the Contractor's liability insurance policy will be primary, with any liability insurance of any Participating State as secondary and noncontributory.

**13.6 Participating Entities.** Contractor shall provide to Participating States and Participating Entities the same insurance obligations and documentation as those specified in Section XIII, except the endorsement is provided to the applicable Participating State or Participating Entity.

**13.7 Furnishing of Certificates.** Contractor shall furnish to the Lead State copies of certificates of all required insurance in a form sufficient to show required coverage within thirty (30) calendar days of the execution of this Master Agreement and prior to performing any work. Copies of renewal certificates of all required insurance will be furnished within thirty (30) days after any renewal date to the applicable state Participating Entity. Failure to provide evidence of coverage may, at the sole option of the Lead State, or any Participating Entity, result in this Master Agreement's termination or the termination of any Participating Addendum.

**13.8 Disclaimer.** Insurance coverage and limits will not limit Contractor's liability and obligations under this Master Agreement, any Participating Addendum, or any Purchase Order.

#### **XIV. General Provisions**

##### **14.1 Records Administration and Audit**

**14.1.1** The Contractor shall maintain books, records, documents, and other evidence pertaining to this Master Agreement and Orders placed by Purchasing Entities under it to the extent and in such detail as will adequately reflect performance and administration of payments and fees. Contractor shall permit the Lead State, a Participating Entity, a Purchasing Entity, the federal government (including its grant awarding entities and the U.S. Comptroller General), and any other duly authorized agent of a governmental agency, to audit, inspect, examine, copy and/or transcribe Contractor's books, documents, papers and records directly pertinent to this Master Agreement or orders placed by a Purchasing Entity under it for the purpose of making audits, examinations, excerpts, and transcriptions. This right will survive for a period of six (6) years following termination of this Agreement or final payment for any order placed by a Purchasing Entity against this Master Agreement, whichever is later, or such longer period as is required by the Purchasing Entity's state statutes, to assure compliance with the terms hereof or to evaluate performance hereunder.

**14.1.2** Without limiting any other remedy available to any governmental entity, the Contractor shall reimburse the applicable Lead State, Participating Entity, or Purchasing Entity for any overpayments inconsistent with the terms of the Master Agreement or Orders or underpayment of fees found as a result of the examination of the Contractor's records.

**14.1.3** The rights and obligations herein exist in addition to any quality assurance obligation in the Master Agreement that requires the Contractor to self-audit contract obligations and that permits the Lead State to review compliance with those obligations.

##### **14.2 Confidentiality, Non-Disclosure, and Injunctive Relief**

**14.2.1 Confidentiality.** Contractor acknowledges that it and its employees or agents may, in the course of providing a Product under this Master Agreement, be exposed to or acquire

information that is confidential to Purchasing Entity or Purchasing Entity's clients.

**14.2.1.1** Any and all information of any form that is marked as confidential or would by its nature be deemed confidential obtained by Contractor or its employees or agents in the performance of this Master Agreement, including but not necessarily limited to (1) any Purchasing Entity's records, (2) personnel records, and (3) information concerning individuals, is confidential information of Purchasing Entity ("Confidential Information").

**14.2.1.2** Any reports or other documents or items (including software) that result from the use of the Confidential Information by Contractor shall be treated in the same manner as the Confidential Information.

**14.2.1.3** Confidential Information does not include information that (1) is or becomes (other than by disclosure by Contractor) publicly known; (2) is furnished by Purchasing Entity to others without restrictions similar to those imposed by this Master Agreement; (3) is rightfully in Contractor's possession without the obligation of nondisclosure prior to the time of its disclosure under this Master Agreement; (4) is obtained from a source other than Purchasing Entity without the obligation of confidentiality, (5) is disclosed with the written consent of Purchasing Entity; or (6) is independently developed by employees, agents or subcontractors of Contractor who can be shown to have had no access to the Confidential Information.

**14.2.2 Non-Disclosure.** Contractor shall hold Confidential Information in confidence, using at least the industry standard of confidentiality, and shall not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than what is necessary to the performance of Orders placed under this Master Agreement.

**14.2.2.1** Contractor shall advise each of its employees and agents of their obligations to keep Confidential

Information confidential. Contractor shall use commercially reasonable efforts to assist Purchasing Entity in identifying and preventing any unauthorized use or disclosure of any Confidential Information.

**14.2.2.2** Without limiting the generality of the foregoing, Contractor shall advise Purchasing Entity, applicable Participating Entity, and the Lead State immediately if Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Master Agreement, and Contractor shall at its expense cooperate with Purchasing Entity in seeking injunctive or other equitable relief in the name of Purchasing Entity or Contractor against any such person.

**14.2.2.3** Except as directed by Purchasing Entity, Contractor will not at any time during or after the term of this Master Agreement disclose, directly or indirectly, any Confidential Information to any person, except in accordance with this Master Agreement, and that upon termination of this Master Agreement or at Purchasing Entity's request, Contractor shall turn over to Purchasing Entity all documents, papers, and other matter in Contractor's possession that embody Confidential Information.

**14.2.2.4** Notwithstanding the foregoing, Contractor may keep one copy of such Confidential Information necessary for quality assurance, audits, and evidence of the performance of this Master Agreement.

**14.2.3 Injunctive Relief.** Contractor acknowledges that Contractor's breach of Section 14.2 would cause irreparable injury to the Purchasing Entity that cannot be inadequately compensated in monetary damages. Accordingly, Purchasing Entity may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of Purchasing Entity and are reasonable in scope and content.

**14.2.4 Purchasing Entity Law.** These provisions will be applicable only to extent they are not in conflict with the applicable public disclosure laws of any Purchasing Entity.

**14.2.5 NASPO ValuePoint.** The rights granted to Purchasing Entities and Contractor's obligations under this section will also extend to NASPO ValuePoint's Confidential Information, including but not limited to Participating Addenda, Orders or transaction data relating to Orders under this Master Agreement that identify the entity/customer, Order dates, line-item descriptions and volumes, and prices/rates. This provision does not apply to disclosure to the Lead State, a Participating State, or any governmental entity exercising an audit, inspection, or examination pursuant to this Master Agreement. To the extent permitted by law, Contractor shall notify the Lead State of the identity of any entity seeking access to the Confidential Information described in this subsection.

**14.2.6 Public Information.** This Master Agreement and all related documents are subject to disclosure pursuant to the Lead State's public information laws.

### **14.3 Assignment/Subcontracts**

**14.3.1** Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this Master Agreement, in whole or in part, without the prior written approval of the Lead State.

**14.3.2** The Lead State reserves the right to assign any rights or duties, including written assignment of contract administration duties, to NASPO ValuePoint and other third parties.

**14.3.3** The contractor is permitted to make subcontract(s) with any other party for furnishing any of the work or services herein. The Contractor shall be solely responsible for performance of the entire contract whether or not subcontractors are used. The Lead State shall not be involved in the relationship between the prime contractor and the subcontractor. Any issues that arise as a result of this relationship shall be resolved by the prime contractor. All references to the contractor shall be construed to encompass both the contractor and any subcontractors of the contractor.

**14.4 Changes in Contractor Representation.** The Contractor must, within ten (10) calendar days, notify the Lead State in writing of any changes in the Contractor's key administrative personnel managing the Master Agreement. The Lead State reserves the right to approve or reject changes in key personnel, as identified in the Contractor's proposal. The Contractor shall propose replacement key personnel having substantially equal or better

education, training, and experience as was possessed by the key person proposed and evaluated in the Contractor's proposal.

**14.5 Independent Contractor.** Contractor is an independent contractor.

Contractor has no authorization, express or implied, to bind the Lead State, Participating States, other Participating Entities, or Purchasing Entities to any agreements, settlements, liability or understanding whatsoever, and shall not to hold itself out as agent except as expressly set forth herein or as expressly set forth in an applicable Participating Addendum or Order.

**14.6 Cancellation.** Unless otherwise set forth herein, this Master Agreement may be canceled by either party upon sixty (60) days' written notice prior to the effective date of the cancellation. Further, any Participating Entity may cancel its participation upon thirty (30) days' written notice, unless otherwise limited or stated in the Participating Addendum. Cancellation may be in whole or in part. Any cancellation under this provision will not affect the rights and obligations attending Orders outstanding at the time of cancellation, including any right of a Purchasing Entity to indemnification by the Contractor, rights of payment for Products delivered and accepted, rights attending any warranty or default in performance in association with any Order, and requirements for records administration and audit. Cancellation of the Master Agreement due to Contractor default may be immediate.

**14.7 Force Majeure.** Neither party to this Master Agreement shall be held responsible for delay or default caused by fire, riot, unusually severe weather, other acts of God, or acts of war which are beyond that party's reasonable control. The Lead State may terminate this Master Agreement upon determining such delay or default will reasonably prevent successful performance of the Master Agreement.

**14.8 Defaults and Remedies**

**14.8.1** The occurrence of any of the following events will be an event of default under this Master Agreement:

**14.8.1.1** Nonperformance of contractual requirements;

**14.8.1.2** A material breach of any term or condition of this Master Agreement;

**14.8.1.3** Any certification, representation or warranty by Contractor in response to the solicitation or in this Master Agreement that proves to be untrue or materially misleading;

**14.8.1.4** Institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar

officer for Contractor or any of its property, which is not vacated or fully stayed within thirty (30) calendar days after the institution or occurrence thereof; or

**14.8.1.5** Any default specified in another section of this Master Agreement.

**14.8.2** Upon the occurrence of an event of default, the Lead State shall issue a written notice of default, identifying the nature of the default, and providing a period of fifteen (15) calendar days in which Contractor shall have an opportunity to cure the default. The Lead State shall not be required to provide advance written notice or a cure period and may immediately terminate this Master Agreement in whole or in part if the Lead State, in its sole discretion, determines that it is reasonably necessary to preserve public safety or prevent immediate public crisis. Time allowed for cure will not diminish or eliminate Contractor's liability for damages, including liquidated damages to the extent provided for under this Master Agreement.

**14.8.3** If Contractor is afforded an opportunity to cure and fails to cure the default within the period specified in the written notice of default, Contractor shall be in breach of its obligations under this Master Agreement and the Lead State shall have the right to exercise any or all of the following remedies:

**14.8.3.1** Any remedy provided by law;

**14.8.3.2** Termination of this Master Agreement and any related Contracts or portions thereof;

**14.8.3.3** Assessment of liquidated damages as provided in this Master Agreement;

**14.8.3.4** Suspension of Contractor from being able to respond to future bid solicitations;

**14.8.3.5** Suspension of Contractor's performance; and

**14.8.3.6** Withholding of payment until the default is remedied.

**14.8.4** Unless otherwise specified in the Participating Addendum, in the event of a default under a Participating Addendum, a Participating Entity shall provide a written notice of default as described in this section and shall have all of the rights and remedies under this paragraph regarding its participation in the Master Agreement, in addition to those set forth in its Participating Addendum. Unless otherwise specified in an Order, a Purchasing Entity shall provide written notice of default



as described in this section and have all of the rights and remedies under this paragraph and any applicable Participating Addendum with respect to an Order placed by the Purchasing Entity. Nothing in these Master Agreement Terms and Conditions will be construed to limit the rights and remedies available to a Purchasing Entity under the applicable commercial code.

**14.9 Waiver of Breach.** Failure of the Lead State, Participating Entity, or Purchasing Entity to declare a default or enforce any rights and remedies will not operate as a waiver under this Master Agreement, any Participating Addendum, or any Purchase Order. Any waiver by the Lead State, Participating Entity, or Purchasing Entity must be in writing. Waiver by the Lead State or Participating Entity of any default, right or remedy under this Master Agreement or Participating Addendum, or by Purchasing Entity with respect to any Purchase Order, or breach of any terms or requirements of this Master Agreement, a Participating Addendum, or Purchase Order will not be construed or operate as a waiver of any subsequent default or breach of such term or requirement, or of any other term or requirement under this Master Agreement, any Participating Addendum, or any Purchase Order.

**14.10 Debarment.** The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in public procurement or contracting by any governmental department or agency. This certification represents a recurring certification made at the time any Order is placed under this Master Agreement. If the Contractor cannot certify this statement, attach a written explanation for review by the Lead State.

**14.11 No Waiver of Sovereign Immunity**

**14.11.1** In no event will this Master Agreement, any Participating Addendum or any contract or any Purchase Order issued thereunder, or any act of the Lead State, a Participating Entity, or a Purchasing Entity be a waiver of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court.

**14.11.2** This section applies to a claim brought against the Participating Entities who are states only to the extent Congress has appropriately abrogated the state's sovereign immunity and is not consent by the state to be sued in federal court. This section is also not a waiver by the state of any form of immunity, including but not limited to sovereign immunity and

immunity based on the Eleventh Amendment to the Constitution of the United States.

#### **14.12 Governing Law and Venue**

**14.12.1** The procurement, evaluation, and award of the Master Agreement will be governed by and construed in accordance with the laws of the Lead State sponsoring and administering the procurement. The construction and effect of the Master Agreement after award will be governed by the law of the state serving as Lead State. The construction and effect of any Participating Addendum or Order against the Master Agreement will be governed by and construed in accordance with the laws of the Participating Entity's or Purchasing Entity's state.

**14.12.2** Unless otherwise specified in the RFP, the venue for any protest, claim, dispute or action relating to the procurement, evaluation, and award is in the state serving as Lead State. Venue for any claim, dispute or action concerning the terms of the Master Agreement will be in the state serving as Lead State. Venue for any claim, dispute, or action concerning any Order placed against the Master Agreement or the effect of a Participating Addendum will be in the Purchasing Entity's state.

**14.12.3** If a claim is brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for (in decreasing order of priority): the Lead State for claims relating to the procurement, evaluation, award, or contract performance or administration if the Lead State is a party; a Participating State if a named party; the state where the Participating Entity or Purchasing Entity is located if either is a named party.

**14.13 Assignment of Antitrust Rights.** Contractor irrevocably assigns to a Participating Entity who is a state any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future by reason of any violation of state or federal antitrust laws (15 U.S.C. § 1-15 or a Participating Entity's state antitrust provisions), as now in effect and as may be amended from time to time, in connection with any goods or services provided in that state for the purpose of carrying out the Contractor's obligations under this Master Agreement or Participating Addendum, including, at the Participating Entity's option, the right to control any such litigation on such claim for relief or cause of action.

**14.14 Survivability.** Unless otherwise explicitly set forth in a Participating Addendum or Order, the terms of this Master Agreement as they apply to the Contractor, Participating Entities, and Purchasing Entities, including but not

limited to pricing and the reporting of sales and payment of administrative fees to NASPO ValuePoint, shall survive expiration of this Master Agreement and shall continue to apply to all Participating Addenda and Orders until the expiration thereof.

**14.15 Discrimination.** Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. This section applies only to contracts utilizing federal funds, in whole or in part. During the performance of this contract, the contractor agrees as follows:

**14.15.1** The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity, or age. The contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The contractor agrees to provide, upon request, needed reasonable accommodations. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following; employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

**14.15.2** The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

**14.15.3** The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for

employment. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

- 14.15.4** The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965 as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.
- 14.15.5** The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- 14.15.6** In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.
- 14.15.7** The contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

**14.16 Accessibility.** Vendor hereby warrants that the products or services to be provided under this contract comply with the accessibility requirements of Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794d), and its implementing regulations set forth at Title 36, Code of Federal Regulations, part 1194. Vendor further warrants that the products or services to be provided under this contract comply with existing federal standards established under Section 255 of the Federal Telecommunications Act of 1996 (47 U.S.C. § 255), and its implementing regulations set forth at Title 36, Code of Federal Regulations, part 1193, to the extent the vendor's products or services may be covered by that act. Vendor agrees to promptly respond to and resolve any complaint regarding accessibility of its products or services which is brought to its attention.

## **XV. Protest**

Pursuant to KRS 45A.285, the Secretary of the Finance and Administration Cabinet, or his designee, shall have authority to determine protests and other controversies of actual or prospective offerors in connection with the solicitations or selection for award of a contract.

Any actual or prospective offeror or contractor, who is aggrieved in connection with solicitation or selection for award of a contract, may file a protest with the Secretary of the Finance and Administration Cabinet. A protest or notice of other controversy must be filed promptly and in any event within two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing and shall be addressed and mailed to:

**Holly M. Johnson, Secretary  
COMMONWEALTH OF KENTUCKY  
FINANCE AND ADMINISTRATION CABINET  
200 MERO STREET, 5TH FLOOR  
FRANKFORT, KY 40622**

The Secretary of Finance and Administration Cabinet shall promptly issue a decision in writing. A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by the Secretary of the Finance and Administration Cabinet shall be final and conclusive.

**Exhibit 1**  
**Description of Goods and/or Services, Prices, and Discount Percentages**

**SERVICES AND GOODS AVAILABLE UNDER THIS MASTER AGREEMENT**

Contractor has been awarded all products and services in the awarded categories below.

Category	Minimum Discount Percentage
1. Janitorial Supplies, Equipment, and Sanitation Cleaning Chemicals	45%
2. Fasteners	60%
3. Material Handling	35%
4. Plumbing Equipment	45%
5. Power Sources	40%
6. Landscaping and Outdoor Supplies and Equipment	35%
7. Lamps, Lighting, Ballasts, and Equipment	40%
8. Heating, Ventilation, Air Conditioning (HVAC)	35%
9. Hand Tools	40%
10. Power Tools	30%
11. Electrical Supplies and Equipment	45%
12. Paint and Related Supplies	40%
13. Security	40%
14. Safety	40%
15. Other	28%

Products and Services are available to Authorized Purchasers.

Addition or Deletion of Items or Services. The Lead State reserves the right to add new and similar items, by issuing a contract modification, to this contract with the consent of the Contractor. Until such time as the Contractor receives a modification, the Contractor shall not accept delivery orders from any Participating Entity referencing such items or services.

**Return Policy:**

Product can be returned for up to one (1) year from date of invoice if product is in its original packaging, unused, unexpired, undamaged, and in resalable condition, except as noted below.

Proof of Purchase is required in all instances. Fastenal’s motto is Growth Through Customer Service, and in practice the final decision on returns that do not meet our

stated policy is up to the local servicing branch.

Fastenal allows returns for any reason up to 30 days from date of invoice unless otherwise noted. Any returns for shipping errors, damage or loss upon delivery must be reported within 10 days of the delivery date. All returns should be made to a Fastenal branch or as otherwise designated by Fastenal, must be in resalable condition and be accompanied with proof of purchase.

Products sold on a "Final Sale" basis as defined below cannot be returned. "Sourced Product" (defined below) is subject to the manufacturer's return policy and may not be returnable. Some product returns may be denied or made subject to restocking fees and other charges by Fastenal.

**FINAL SALE ITEMS.** Items sold on a "Final Sale" basis include: (i) custom or sourced items; (ii) special-order items; (iii) emergency response items; (iv) items marked in quotations or invoices as "Non-Cancellable" or "Non-Returnable"; and (v) any other items that Fastenal may designate as a "Final Sale" from time to time.

**STATE OF EMERGENCY:** During a State of Emergency (such as a hurricane), some items may be noncancelable, non-refundable, and non-returnable. Purchasing Entities will be notified of these non-returnable items at the time of purchase.

**SOURCED ITEMS.** Sourced items as defined (Sourced product are products which are not currently listed in Fastenal's contract catalog or on-line ordering system but are able to be supplied by Fastenal. Fastenal's sourcing model is a service that we offer to customers to source products. The local Fastenal branch manages the sourcing, procurement, delivery, and, if required, the inventory management of the sourced product as part of a Fastenal vendor managed inventory solution. Fastenal's sourced products are a direct line extension of the product offering consisting of thousands of vendors with whom we have developed a publicly recognized business relationship around promoting and developing the brands representative of the vendor. Price quotes and freight for these sourced products are based on current market conditions and are negotiated locally on a per-order basis and approved by the Participating Entity) which are ordered and delivered to the Purchasing Entity may be non-returnable and non-refundable. Sourced Items that have been ordered by the Purchasing Entity and are non-cancelable by the manufacturer, Purchasing Entity must accept and pay for the delivered quantities, excluding non-conforming items.

## **Exhibit 2**

### **Environmentally Preferred Products**

#### **1.1 Description of Goods and/or Services, Prices and Discount Percentages or Environmentally Preferred Products (if applicable).**

#### **1.2 Terms and Conditions for Environmentally Preferred**

##### **Products Accurate Labeling of Environmentally**

##### **Preferable Products (EPPs)**

Offeror must certify in writing that all claims made about the environmental attributes of the products they are offering are consistent with the Federal Trade Commission's (FTC's) *Guidelines for the Use of Environmental Marketing Terms*. In addition, Offerors may be required to provide documentation, at the request of the Purchasing Entity that the products they are offering meet the Environmental Specifications for this contract.

Over the life of the Master Agreement if awarded, the Offeror must label the environmental attributes of all environmentally preferable products (EPPs) per the Environmental Specifications below in any catalogs, marketing materials, price lists, and online ordering portal associated with this contract. Upon request of the Purchasing Entity, the Offeror if awarded, must provide documentation that each EPP has the required third-party certification(s), minimum amount of recycled content, or other environmental attributes listed in the Environmental Specifications.

The Purchasing Entity reserves the right to require the Offeror if awarded, to remove any environmental claims that are false, vague, misleading or unsubstantiated in catalogs, price sheets, websites or other marketing materials that are provided to the Purchasing Entity under a Master Agreement or Participating Addendum, if awarded.

##### **1.2.2 EPP Sales Reports**



The Purchasing Entity reserves the right to request from the Vendor quarterly sales data over the life of this contract. This information must include details about the environmental attributes of the EPPs sold on this contract consistent with the Environmental Specifications. To facilitate consistent reporting on this contract, the Vendor may be required to submit its sales report using the Purchasing Entity's Green Sales Report Template.

**Training.** Over the life of the contract, the Vendor at a minimum must offer educational/marketing materials and at least one training that can be accessed by contract users explaining its EPP labeling and reporting practices.

**Enforcement.** The Purchasing Entity may consider failure to comply with the Environmental Specifications for this contract as well as the EPP labeling, reporting, and training requirements described above to be grounds for termination of this contract.

### Exhibit 3 NASPO ValuePoint Detailed Sales Data Report Form

Field Name	Field Description
VENDOR	The awarded Contractor's name
VENDOR CONTRACT NUMBER	Lead State assigned contract number (using Lead State's numbering protocol)
STATE	State postal abbreviation code (Alaska = AK, Missouri = MO, etc.)
CUSTOMER TYPE (SEGMENT)	State Gov't, Education-K12, Education-HED, Local Gov't, Medical, Other - are acceptable segments. [determined by industrial practice for each contract - uniform for each contract]
BILL TO NAME	Customer (agency) Bill to name
BILL TO ADDRESS	Customer (agency) Bill to address
BILL TO CITY	Customer (agency) Bill to city
BILL TO ZIPCODE	Zip code in standard 5-4 format [standard 5 digits is acceptable, formatted as a zip code]
SHIP TO NAME	Customer (agency) Ship to name
SHIP TO ADDRESS	Customer (agency) Ship to address
SHIP TO CITY	Customer (agency) Ship to city
SHIP TO ZIPCODE	Zip code in standard 5-4 format [standard 5 digits is acceptable, formatted as a zip code]
ORDER NUMBER	Vendor assigned order number
CUSTOMER PO NUMBER	Customer provided Purchase Order Number
CUSTOMER NUMBER	Vendor assigned account number for the purchasing entity
ORDER TYPE	Sales order, Credit/Return, Upgrade/Downgrade, etc. [determined by industrial practice for each contract - uniform for each contract]
PO DATE (ORDER DATE)	(mm/dd/ccyy)
SHIP DATE	(mm/dd/ccyy)
INVOICE DATE	(mm/dd/ccyy)
INVOICE NUMBER	Vendor assigned Invoice Number
PRODUCT NUMBER	Product number of purchased product
PRODUCT DESCRIPTION	Product description of purchased product
UNSPSC	Commodity-level code based on UNSPSC code rules (8 Digits)
CATEGORY	Product Category
LIST PRICE/MSRP/CATALOG PRICE	List Price - US Currency (\$99999.999) [determined by industrial practice for each contract - uniform for each contract]
QUANTITY	Quantity Invoiced (99999.999)
TOTAL PRICE	Extended Price (unit price multiplied by the quantity invoiced) - US Currency (\$999999999.99)
VAR/Reseller/Distributor	If a VAR/Reseller/Distributor, name of VAR/Reseller/Distributor and state where located
Energy Star Compliant	Yes = 1 No = 2 Energy Star Does not Apply = 0
Optional	More information



**Exhibit 1**

**Description of Goods and/or Services, Prices, and Discount Percentages**

**SERVICES AVAILABLE UNDER MASTER AGREEMENT**

Contractor has been awarded all products and services in the awarded categories below.

Category	Minimum Discount Percentage
1. Janitorial Supplies, Equipment, and Sanitation Cleaning Chemicals	5%
2. Fasteners	0%
3. Material Handling	5%
4. Plumbing Equipment	5%
5. Power Sources	0%
6. Landscaping and Outdoor Supplies and Equipment	5%
7. Lamps, Lighting, Ballasts, and Equipment	0%
8. Heating, Ventilation, Air Conditioning (HVAC)	5%
9. Hand Tools	0%
10. Power Tools	0%
11. Electrical Supplies and Equipment	5%
12. Paint and Related Supplies	0%
13. Security	0%
14. Safety	0%
15. Other	8%

Products and Services are available to Authorized Purchasers.

Addition or Deletion of Item or Services. The Lead State reserves the right to add new and similar items, by issuing a contract modification, to this contract with the consent of the Contractor. Until such time as the Contractor receives a modification, the Contractor shall not accept delivery orders from any Participating Entity referencing such item or services.

**Return Policy:**

Product can be returned for up to one (1) year from date of invoice if product is in its original packaging, unused, unexpired, undamaged, and in resalable condition, except as noted below.

Proof of Purchase is required in all instances. Fastenal's motto is Growth Through Customer Service, and in practice the final decision on returns that do not meet our

2024

# ESG

## REPORT

Empowering **people**,  
preserving **our world**,  
and serving as a  
**trusted partner.**

**FASTENAL**<sup>®</sup>



Published March 2024

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Unless noted, goals and other data in this report reflect our global operations.

# Welcome!

Thank you for taking the time to read Fastenal's 2024 Environmental, Social, and Governance (ESG) Report. This is our third ESG report, and it covers our progress and performance in 2023.

In last year's report, we spoke about the completion of a materiality assessment to define and prioritize our key ESG issues. During 2023, we took the next step to define our ESG vision, pillars, and strategic objectives. The following two pages provide an overview of how we define ourselves in the marketplace and how we define our vision: **empowering people, preserving our world, and serving as a trusted partner**. The rest of the document takes a deeper dive with these themes.

The language and metrics surrounding ESG haven't always felt intuitive for us. To help us bridge gaps and become more comfortable in telling our story, we searched inward and sought expertise from outside our organization. As our understanding improved, we realized many activities and priorities that fall under the broad umbrella of "ESG" naturally align with who we are, how we operate, and what we've always believed in as an organization.

For example, it is very natural for us to operate with, and talk about, a belief in people, a belief in people development, and a desire to achieve growth through customer service. We also believe a frugal operating style (a defining characteristic of Fastenal for 55-plus years) is the natural place from which to prioritize the environment. This helps us share a story around a deeply-rooted tendency to preserve resources, reduce consumption, and help our customers do the same. As you read through the document, we hope our sincerity regarding these and other topics shines through.

As mentioned in the closing of our last two ESG report introduction letters, the "Blue Team" at Fastenal is working hard to be a force for positive change – in our operations, in our communities, for our customers, and across global supply chains. We are proud to share our story.



# Go BLUE!

- Dan Florness, President & CEO



# Who We Are

Organizations partner with Fastenal\* to reduce cost, waste, risk, and growth constraints in the supply chain for a broad range of industrial and construction supplies. By helping our customers operate more efficiently and productively, our role is elevated from “supplier of products” to “strategic supply chain partner.”

Our strategic supply model requires end-to-end capabilities, including:

- › **Robust global sourcing and quality operations**
- › **A geographically-diverse and closely-managed supplier base**
- › **A network of regional distribution centers, vehicles, and in-market servicing locations**
- › **Tens of thousands of inventory management solutions embedded within customer sites**
- › **And at the heart of it all, a great local team to support and serve our customers**

In short, we are able to impact and improve the supply chain because, to a large extent, we *own* it – from the source, to the last mile, to the point of use. This presents an exciting challenge for our ‘Blue Team’ – to pioneer more sustainable ways to procure, transport, and use products; to help hundreds of thousands of organizations operate more efficiently and responsibly; and to make a positive impact that extends well beyond our own operations.

## Where Industry Meets Innovation

Sustainability is an intrinsic feature of this strategic supply model. When organizations partner with Fastenal to avoid over-consumption, obsolete inventory, redundant purchases, expedited ordering, and overlapping deliveries from multiple vendors, they’re taking waste out of their business and the environment.

Our technology solutions create a new level of visibility and understanding – what products the customer has readily available, where they’re located, and how they’re used in the business. This insight illuminates trends and opportunities for the customer to operate more efficiently. It also allows our teams to be more strategic and efficient in how we manage the upstream supply chain.

Today, we’re building upon our core service model and technology platform to provide customers with a suite of Sustainability Solutions designed to help them reduce environmental impacts across four broad areas: prevention, consumption reduction, product life extension, and recycling and recovery. (Learn more on pg. 43.)

➤ [Go to About Us](#)

➤ [Go to ESG](#)

➤ [Go to Investor Relations](#)





# ESG Strategy and Vision

## Our ESG Vision

As a catalyst for innovation and positive change, we strive to provide exceptional value to our customers by empowering people, preserving our world, and serving as a trusted supply chain partner.

### Strategic Objectives

### Relevant Topics



#### Empowering People

We foster a safe and welcoming workplace for all, prioritize employee development, and empower our "Blue Team" to achieve positive outcomes for themselves, our customers, and the community.

- Employee safety/wellbeing
- Diversity, equity, and inclusion



#### Preserving Our World

We work to reduce consumption and environmental impacts throughout our operations and provide solutions to help our customers do the same.

- Energy efficiency
- GHG emissions
- Sustainable products/materials
- Waste management



#### Serving as a Trusted Partner

As a vital part of our customers' operations, we are committed to providing a supply chain that is efficient, resilient, and responsible.

- Business ethics
- Product quality and safety
- Supply chain resilience
- Responsible supply chain

## Fastenal at a Glance: Key Stats Regarding Our Global Business in 2023



**23,201** employees. **71%** directly serve our customers

*Our strategic supply model starts starts with a simple premise:*

**great people, close to the customer, with a passion for learning and growth.**



**874,000+** Fastenal School of Business trainings completed

Our local team operates in **3,419** in-market operating units across **25** countries. **64%** of our **\$1.5B** in inventory is staged locally or within customer sites for same-day access.




**1,597** traditional branches



**1,822** Onsite operations

Service through our traditional branches and Onsite operations is enhanced by a variety of technology solutions. **56.1%** of our total revenue flows through this "Digital Footprint." <sup>(1)</sup>



**eCommerce**  
Improves the efficiency of procurement/purchasing processes.



**FASTStock<sup>SM</sup>**  
Using mobile technology to illuminate inventory and simplify replenishment.



**FASTBin<sup>TM</sup>**  
Point-of-use devices with embedded technology providing a 24/7 sightline to the customer's current inventory state.



**FASTVend<sup>TM</sup>**  
Providing secure access and usage tracking close to the point of use in a customer's facility.

These Fastenal Managed Inventory (FMI<sup>®</sup>) programs represented **40.3%** of total sales in 2023.

This core model is supported by a range of high-touch services and high-tech solutions to help customers solve problems and gain efficiencies.



### High-Touch Services

- 620+** supply chain professionals<sup>(3)</sup> including **130+** on the ground in Asia
- Roughly 90%** of the product tonnage moved between our DCs and in-market locations is transported via Fastenal-owned trucks
- 420M** products made, modified, or maintained by our manufacturing and industrial services teams
- 580+** subject matter specialists (e.g., Lean Solutions, safety, engineering, metalworking)



### High-Tech Solutions

- Mobile apps** – simplifying ordering and other processes
- FAST360<sup>®</sup>** – tools to visualize inventory locations and status
- Trajectory** – tracking how vended products are used in the business
- FASTCrib<sup>SM</sup>** – software to manage requisitions, inventory, and assets
- eProcurement Integration** – automating processes while improving accuracy and visibility

<sup>(1)</sup> Our Digital Footprint is a combination of our sales through FMI Technology (FASTStock, FASTBin, and FASTVend) plus that portion of our eCommerce sales that do not represent billings of FMI services.

<sup>(2)</sup> Machine Equivalent Units (MEUs).

<sup>(3)</sup> Includes individuals specializing in the following: sourcing, quoting, purchasing, supplier development and operations, compliance, and logistics.



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# Governance

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“G” is the last letter in “ESG,” but responsible governance is where ESG begins. Even in a decentralized organization like Fastenal, employees look to leadership to define goals, set standards, provide resources, and prioritize areas of focus. This section will focus on the personnel, procedures, and guidelines we’ve put in place to promote ESG success and guide ethical actions across the organization.

## Board of Directors

Fastenal's board of directors is composed of a diverse group of individuals with varying backgrounds and experiences. This group is responsible for the oversight of enterprise risk, including ESG matters, and receives leadership and guidance on these topics from the committees of the board. Eight of the eleven directors, including the chair of the board, are independent, which helps to broaden our perspective and deepen our understanding of ESG issues. The full board has assigned the nominating and corporate governance committee the primary duty to oversee corporate governance matters subject to board oversight and sets high standards for the company's employees, officers, and directors. Among its priorities are corporate responsibility, human capital management, and sustainability. The topic of ESG, including climate-related issues, is on the full-board meeting agenda a minimum of twice per year and is on the committee agenda quarterly.

On matters of enterprise risk, including ESG matters, the full board has oversight responsibility and receives leadership and guidance from three standing committees composed exclusively of independent members.



### Nominating and Corporate Governance Committee

Assists the board in maintaining appropriate candidates to serve as directors of the organization. As part of its oversight of the company's ESG initiatives, this group receives quarterly updates from the ESG team and proposes relevant topics to be included in the quarterly board meeting agenda.



### Audit Committee

Assists the board by overseeing the accounting and financial reporting process of the company and audits of the financial statements of the company. The committee also has oversight of the independent auditor's qualifications, independence, and performance; the performance of the company's internal audit functions; management's process to monitor, control, and report on significant corporate risk exposures (including those related to ESG); and the company's compliance with legal and regulatory requirements.



### Compensation Committee

Assists with the structure and approval of executive compensation plans. Responsibilities include a duty to assess the impact of the company's compensation programs on risk and recommend policies deemed necessary or advisable in order to mitigate risks related to compensation and human capital management.

These committees, and the board as a whole, help to maintain Fastenal's strong commitment to ethical and responsible business practices, fostering an environment in which we act with integrity and respect for each other, our customers and suppliers, our communities, and the environment. Learn more about our board of directors in the 2024 proxy statement on our [investor resources site](#).

## ESG Management

### Nominating and Corporate Governance Committee

This committee serves as a liaison between the full board of directors and the ESG team, providing oversight to help integrate ESG initiatives into our overall growth strategy. It consists of five directors, each of whom qualifies as an independent director.

### Community of Practice

Our ESG Community of Practice is made up of leaders and subject matter experts from various areas of the business that are essential to the success of our goals. This group is responsible for continuous improvement to core aspects of our ESG program, including roadmap execution, reporting and disclosure, and continued development of our customer-facing solutions. The ESG Community of Practice is designed to facilitate structured and consistent communication, allowing ESG champions from across the organization to work collectively. In 2023, the group launched the Learning Loops series, which allows members to share stories, experiences, and knowledge on a regular basis. The goal is to learn from one another and broaden our knowledge base as we work toward Fastenal's ESG vision.

### Materiality Assessment, ESG Vision and Strategy

As mentioned in our previous report, in 2022 we engaged with leading third-party consulting firms to help us clarify our ESG priorities, vision, and strategy. The first phase of the project, completed in late 2022, was a materiality assessment\* to define and prioritize key ESG issues impacting our company and our stakeholders. Working with our outside advisors, we referenced external reporting frameworks (including GRI, SASB and TCFD), considered material issues identified by various raters and rankers, and conducted a benchmarking analysis regarding ESG risk in our industry. We also conducted interviews with key stakeholders, including customers, employees, investors, and suppliers. From this assessment process, we identified a priority list of our most significant ESG topics. (We intend to revisit and update our materiality assessment at least every five years.)

The second phase, completed in April 2023, centered on defining our ESG vision, pillars (see below), and strategic objectives based on those topics we identified as most significant. Throughout the year, our Community of Practice worked to solidify short-term goals (1 to 3 years), medium-term goals (3 to 5 years), and long-term goals (5 to 10 years), creating a roadmap to work toward our strategic objectives over a multi-year time horizon.



**Empowering  
People**



**Preserving  
Our World**



**Serving as a  
Trusted Partner**

\*In conducting this prioritization exercise as part of our effort to clarify our ESG priorities, vision and strategy, we have made use of GRI and SASB guidance for "materiality" assessments. This guidance for seeking stakeholder impact and determining priorities refers to "material" topics to reflect the issues of importance to us and our stakeholders. Used in this context, these terms are distinct from, and should not be confused with, the terms "material" and "materiality" as defined by or construed in accordance with securities law or as used in the context of financial statements and reporting.

## Responsible Sourcing

As a strategic supplier, we believe Fastenal has a responsibility to stay in sync with an ever-changing landscape of global regulations, supply chain risks, and industry demands. To that end, we maintain multiple teams of compliance specialists around the world with the expertise to ensure the products we supply meet or exceed applicable standards and regulations across global supply chains. Our processes are regularly updated in response to new and changing regulations, business needs, and customer expectations; however, we maintain a consistent focus on the following areas to mitigate risk for ourselves, our customers, and other stakeholders.

### Supplier Compliance

Through our [supplier terms and code of conduct](#), we require our suppliers to comply with all applicable regulations. We conduct risk analyses of suppliers who want to do business with us, which as a baseline includes obtaining supporting documentation regarding quality, capacity, and labor practices. We are committed to building relationships with well-qualified suppliers that meet our standards for quality, ethics, sustainability, and reliability. Conformance to our supplier code of conduct is required to become, and maintain good standing as, a supplier to Fastenal of any supplied material or service. (This expectation is reinforced in each Fastenal purchase order, which references our supplier code of conduct and purchase order terms and conditions.) We evaluate suppliers' compliance with these standards in determining whether to grant or continue preferred status. Suppliers that do not comply with this code of conduct may be disqualified from preferred status and/or have their business relationship with Fastenal terminated. To learn more about our supplier terms and code of conduct, visit [Fastenal's Legal Information page](#).

### Import Control Policy

To establish visibility and control early in the supply chain, we operate a global sourcing division known as FASTCO (Fastenal Asia Sourcing and Trading Company). This resource is made up of more than 200 Asia-based personnel, including factory auditors, engineers, procurement professionals, quality specialists, and logistics specialists, allowing us to closely monitor risks and opportunities and maintain a high level of control over product quality. It also includes five international A2LA-accredited quality labs (in addition to the four A2LA-accredited labs we operate in the United States), which provide comprehensive mechanical and chemical fastener analysis. Product testing is conducted to internationally recognized standards as well as customer specifications.

### Product Transparency

In addition to the controls and processes described above, Fastenal's compliance team works to provide visibility to the product attributes we believe are most important to our customers. This includes using the following icons on our eCommerce platform, other marketing channels, and point of sale system to help customers make informed purchasing decisions.



Restricted Product



Safety Data Sheets (SDS)



CA Proposition 65



REACH

RoHS Compliant

RoHS



Conflict Minerals

[Learn more](#) about the customer support and documentation we provide regarding material declarations, conflict minerals, REACH, and RoHS.



## Forced Labor Policy

Fastenal maintains a strong stance against the use of forced labor within any tier of our supply chain and actively works with our suppliers to monitor, educate, and address any potential compliance concerns. Forced labor prevention expectations are written into our supplier code of conduct. In addition, our teams execute supplier documentation reviews, on-site audits, internal and external trainings, risk assessments, and material origin reviews.



## Supply Chain Security Policy

As both an importer and exporter, Fastenal has been a member of the United States Customs and Border Protection Agency's Customs Trade Partnership Against Terrorism (CTPAT) program since 2009. This supply chain security partnership program is designed to secure and facilitate the movement of legitimate international trade and improve security throughout the supply chain, from the point of cargo origin to the final import destination. The program provides a foundation for Fastenal's risk-based approach to supply chain security. It guides our employee training curriculums, internal facility audits, vendor security campaigns, warehouse security measures, and freight tracking procedures; and it is the controlling policy document that outlines Fastenal's internal expectation regarding forced labor controls.



## Quality Control

Our current quality management system is registered to ISO 9001:2015 and certified by TUV Rheinland of North America. This certification covers 73 locations, including all distribution centers, industrial services centers, internal manufacturing locations, FASTCO, and select in-market servicing locations. In addition to controlling our internal quality system, Fastenal operates nine product testing labs as part of our supply chain quality control process. The labs, which are accredited by the American Association for Laboratory Accreditation (A2LA), provide mechanical and chemical analysis to meet internationally recognized standards as well as customer specifications. These internal mechanical testing resources and our access to external accredited labs give us the ability to test products across our scope of supply.



## Selection and Monitoring of Corporate Suppliers

This involves multiple stages and teams. First, our supplier intel group does background research on the potential corporate supplier. If they meet basic requirements, our field auditors conduct a pre-audit to collect additional data and samples for lab testing, while our purchasing team verifies whether the pricing is competitive. If the supplier passes the pre-audit, we then perform a full audit of their quality process. (Based on an internal risk analysis, certain suppliers are also subject to a full audit of their social compliance.) If approved, the supplier can be issued a vendor number and activated in our system. All corporate suppliers are evaluated monthly with quality performance scorecards.

## Product Alerts and Recalls

Our quality management system includes well-defined processes for product alerts and recalls. These can be initiated either internally by Fastenal (based on product testing in our A2LA-accredited labs) or externally by our supply chain partners. Recalls and alerts are classified into four levels:

- **Level A** is an alert only, prompting us to remove the product from our distribution centers.
- **Level B** is also an alert only, but in this case the product is removed from both our distribution centers and our in-market servicing locations (branches and Onsites).
- **Level C** is an internally-initiated recall whereupon we remove the product from all Fastenal locations and notify customers of the product failure.
- **Level D** is a vendor-initiated recall. The supplier recalls a specific product, and we communicate the recall requirements to our end-user customers globally.

In a recall or alert situation, Fastenal is able to lock down the product on a corporate level so that it cannot be sold through our point of sale system.

## Conflict Minerals Policy

Fastenal's conflict minerals policy provides a framework for compliance with Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd Frank Act"). This section pertains to 3TG minerals (tin, tantalum, tungsten, and gold, which are derivatives of cassiterite, columbite-tantalite, and wolframite) regardless of where they are sourced, processed, or sold. As a United States issuer of securities governed by the Securities and Exchange Commission, Fastenal and its subsidiaries use this policy to guide the implementation and maintenance of our conflict minerals program.

Fastenal expects manufacturers of Fastenal-branded products, custom-engineered products, or other products over which we exert influence through product development or design to have policies and due diligence measures in place that will assure knowledge and notification of products and components that contain conflict minerals. We have partnered with a third-party organization to assist in the collection and validation of information from our suppliers and to help us improve the overall quality of our reporting.

More broadly, we expect suppliers to conduct their business in alignment with Fastenal's supply chain responsibility expectations. In support of this policy, Fastenal will:

- Exercise due diligence with suppliers consistent with the [Organization for Economic Cooperation and Development \(OECD\) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#) (and encourage our suppliers to do the same with their upstream suppliers).
- Provide due diligence information to customers confirming the applicability and/or compliance of products supplied by Fastenal.
- Continue our involvement with relevant industry groups, such as the Twin Cities Conflict Mineral Task Force, to stay on top of developments, changes, and future requirements.

View Fastenal's most recent [Conflict Mineral Report](#).



## Cybersecurity & Data Privacy

Fastenal has received certification to the ISO 27001:2013 information security management system. This certification was achieved through a formal audit process conducted by A-LIGN, an independent and accredited certification body in the United States.

ISO 27001 is an international standard to manage information security published by the International Organization for Standardization (ISO), the world's largest developer of voluntary international standards, and the International Electrotechnical Commission (IEC). Achieving certification to ISO 27001 demonstrates that Fastenal has met rigorous international standards for ensuring the confidentiality, integrity, and availability of data. It reflects our commitment to ensure that security of data and information has been addressed and that proper controls have been implemented in all areas of the organization.

Our information technology (IT) security department is tasked with monitoring cybersecurity and operational risks related to information security and system disruption. The team employs measures designed to protect against, detect, and respond to cybersecurity threats, and has implemented processes and procedures aligned with our information security management system to support and promote resilient programs. This includes:



Fastenal's board of directors and audit committee are actively engaged in the oversight of our information security program. The audit committee receives quarterly reports on information security from our senior vice president of information technology infrastructure and security. Additionally, our executive leadership team is briefed on information security at least once a quarter by members of our IT security, compliance, governance, and audit teams. Any identified risks are included in Fastenal's overall risk management program, and internal and external auditors validate its IT controls on a regular basis.

Fastenal conducts organization-wide cybersecurity training and compliance exercises in connection with our information security program. This training consists of educational material and compliance testing administered annually to all Fastenal employees, which is tracked and recorded throughout the year. Results and progress are shared with executive leadership and the audit committee each quarter.

In our continued commitment to maintaining a strong internal control environment, Fastenal underwent a System and Organization Controls (SOC) 2 examination from an independent auditor (risk3sixty Compliance, LLC) and received a SOC 2 Type 2 attestation report. The SOC 2 Type 2 report covers the suitability of the design and operating effectiveness of controls over a period of time. The scope of the report covers Fastenal's service commitments and system requirements based on the Trust Services Criteria relevant to security and availability (AICPA, Trust Services Criteria).

## Ethics & Compliance

### Business Conduct

At Fastenal, we are committed to operational excellence, ethical and responsible conduct, fair and respectful treatment of all individuals, and practices that promote safety, health, and environmental protection. Although we have not joined the UN Global Compact, we endeavor to incorporate the Ten Principles of the UN Global Compact in our operations, including our [supplier code of conduct](#). We conduct risk analyses of suppliers who want to do business with us, which includes obtaining supporting documentation regarding quality, capacity, and labor practices. We are committed to building relationships with well-qualified suppliers that meet our standards for quality, ethics, and reliability.

Conformance to our supplier code of conduct is required to become, and maintain good standing as, a supplier to Fastenal of any supplied material or service. We evaluate suppliers' compliance with these standards in determining whether to grant or continue preferred status. Suppliers that do not comply with our code of conduct may be disqualified from preferred status and/or have their business relationship with Fastenal terminated. To learn about our supplier terms and code of conduct, visit [Fastenal's Legal Information page](#).

### Policies and Trainings

New employee orientation involves a review and acceptance of our policies and procedures guide and our standards of conduct, which include applicable policies and expectations regarding human rights, business ethics, anti-bribery, anti-corruption, cybersecurity, workplace harassment, unconscious bias, and employee health and safety. The standards of conduct and applicable policies are reinforced for hiring managers through additional trainings within our Leadership Training Plan, a manager-focused curriculum developed by our internal training department, the Fastenal School of Business. Managers are automatically enrolled in this curriculum, which includes trainings on coaching, business ethics, recruiting, and other topics related to fair and effective leadership.

### Compliance Trainings

As part of our people-centered culture, Fastenal invests in comprehensive, career-long employee training and development through the Fastenal School of Business, including training focused on the environment, ethics, and labor and human rights. Below is a summary of employee participation in trainings related to these topics in 2023, 2022, and 2021.

	Environment		Ethics		Labor & Human Rights	
	Completions	Sum of Total Hours	Completions	Sum of Total Hours	Completions	Sum of Total Hours
<b>2023</b>	39,499	30,095 Hours	182,883	64,518 Hours	118,132	58,854 Hours
<b>2022</b>	50,954	36,916 Hours	138,393	45,718 Hours	114,464	57,991 Hours
<b>2021</b>	28,410	24,659 Hours	125,444	47,252 Hours	106,246	50,725 Hours



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# Empowering People

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"The greatest resource in the world is **the human individual**, with each individual having **enormous potential to do wonderful things.**"

**Bob Kierlin**, Fastenal Founder



Our people-centered strategy can be summarized with some simple thoughts:

The quote above speaks to Fastenal's foundational belief in people and serves as a fitting lead-in to the social aspects of our ESG program. Because we value people (as unique human beings, not just human capital), we prioritize safety, we foster a culture of equity and respect, and we strive to improve our communities. Because we believe in human potential (versus fixed talents), we invest in career-long learning resources for every employee. We empower employees to make local decisions and to think big for our customers. And we remain strongly committed to promotion from within, creating pathways for employees to branch out, build rewarding careers, and become leaders in our organization.



## Human Rights and DEI

### Human Rights

Fastenal is committed to complying with all applicable labor and employment laws and regulations in every country and jurisdiction in which we operate. These include but are not limited to: antiharassment and discrimination in all aspects of employment; employees' freedom of association and the right to collectively bargain; prohibitions on child labor, forced labor, or any form of human trafficking; and fair wage and hours requirements. Fastenal also expects its suppliers and vendors to comply with all applicable laws and regulations.

### Diversity, Equity, and Inclusion

The approach described on the preceding page fosters a workforce that is not only talented and empowered but also increasingly diverse. As of December 31, 2023, we had 23,201 employees worldwide. 18,539 of those employees were located within the United States, 3,038 employees were located in Canada and Mexico, and 1,624 were located in 24 other countries around the world.

### Non-Discrimination

It is Fastenal's policy to provide equal employment opportunity for all employees and applicants for employment in accordance with all applicable federal, provincial, state, and local executive orders, regulations, and laws. We will not engage in any form of prohibited employment discrimination. This includes discrimination on the basis of race, color, creed, gender, religion, national origin or citizenship status, disability, age, genetic information, marital status, status with regard to public assistance, sexual orientation, gender identity, familial status, veteran status, or any other protected classifications.

[View our Equal Employment Opportunity/Affirmative Action Policy Statement.](#)



## Diversity Data & Reporting

As indicated in the EEO-1 data below, women and minorities constituted 24.0% and 23.6%, respectively, of our United States workforce at year-end 2023. Based on U.S. Bureau of Labor Statistics data, our mix of female and minority employees is generally consistent with that of the manufacturing and construction industries, which, as our primary end markets, provide useful context for our workforce recruiting pool, composition, and trends.



U.S. Data (2013–2023)

Year	Males	White	Minority	Females	White	Minority	Minority Total
2023	76.0%	58.8%	17.2%	<b>24.0%</b>	17.6%	6.4%	<b>23.6%</b>
2022	75.9%	59.6%	16.2%	<b>24.1%</b>	17.8%	6.3%	<b>22.5%</b>
2021	75.8%	60.6%	15.2%	<b>24.2%</b>	18.4%	5.8%	<b>21.0%</b>
2020	75.5%	60.6%	14.8%	<b>24.4%</b>	18.7%	5.6%	<b>20.4%</b>
2019	75.4%	60.3%	15.1%	<b>24.5%</b>	18.8%	5.7%	<b>20.8%</b>
2018	76.1%	61.2%	14.8%	<b>23.8%</b>	18.6%	5.2%	<b>20.0%</b>
2017	77.2%	63.1%	14.1%	<b>22.7%</b>	18.0%	4.6%	<b>18.7%</b>
2016	78.0%	64.4%	13.5%	<b>21.9%</b>	17.6%	4.2%	<b>17.7%</b>
2015	78.9%	66.3%	12.6%	<b>21.0%</b>	17.2%	3.8%	<b>16.4%</b>
2014	80.1%	68.6%	11.5%	<b>19.8%</b>	16.4%	3.4%	<b>14.9%</b>
2013	81.2%	70.4%	10.8%	<b>18.7%</b>	15.9%	2.8%	<b>13.6%</b>

In reviewing the table, a few trends stand out. First, following a steady rise from 2013 to 2019, the proportion of women in our workforce has declined slightly in each of the past four years (starting in 2020, a year of sweeping social disruption). It has been a frustrating trend, but we’re taking steps to regain our momentum. For example, we’ve made family-friendly improvements to our U.S. employee benefits program, including a hybrid work option for certain roles, a paid family and medical leave benefit, and increased flexibility for paid time off. (The latter two policies were effective January 1, 2024.) We’ve also focused our recruiting and retention efforts, which includes an expansion of our recruiting team to engage with a larger talent pool on the local level.

Second, and on a more positive note, we saw another significant improvement in our minority workforce composition in 2023. And third, viewed over time, there is a clear trend toward greater diversity in our business. Our female and minority workforces have grown 2.2x and 3.8x faster, respectively, than our overall U.S. workforce over the last ten years.

This progress reflects a few core trends in our business. One is our concerted effort to standardize and improve our hiring practices (more on this to follow). Another is our ongoing geographic expansion, which has made our footprint much less Midwest-centric over time, in turn making our U.S. workforce more reflective of the country as a whole. A third trend is our evolution from a fastener-centric distribution company to a technology-driven supply chain solutions provider, which may appeal to a more diverse applicant pool. In light of these long-term dynamics, we expect the trend toward greater diversity in our workforce to continue over time.



## Employment

### Recruitment

Our cultural values – Ambition, Integrity, Innovation, and Teamwork – are woven into the fabric of our human resources processes and protocols, starting with our employment process. These values serve as guideposts for leaders throughout the organization as they administer and adhere to the system and processes. The ultimate goal is straightforward: make the candidate pool as expansive and inclusive as possible, and hire the candidate who is the best match for the position based on their skills and abilities. In light of our cultural priority to promote from within, we know we are welcoming a potential future leader with every new hire. And in the spirit of decentralized decision-making, all hiring managers complete their own interviews and make local hiring decisions.

#### Ambition

By thinking big and working hard, we create value for our customers, growth for our organization, and opportunities for ourselves and others on the Blue Team.



#### Integrity

Our decentralized culture, including a commitment to local decision-making, wouldn't be possible without personal integrity at every level of the organization.



## Our Cultural Values

This isn't limited to technical or leadership roles. In general, we believe the best ideas come from the people closest to the customer, problem, or process.



#### Innovation

We succeed by surrounding ourselves with talent, supporting those around us, and challenging each other to become better every day.



#### Teamwork

## Hiring

The cornerstone of the hiring process is our Applicant Tracking System, which was designed internally by our diversity and compliance team. This system facilitates data collection and storage while also streamlining a multi-step process. The diversity and compliance team reviews and approves the job openings for posting via our intranet site, our external websites, and the many post-secondary schools we work with across the country. To further diversify our outreach efforts, we partner with Circa, which each day shares the job postings from the Fastenal.com Careers page with more than 600 diversity-focused employment and local job boards within the Circa network.

After job openings are posted, the diversity and compliance team completes all initial application screening and phone interviews for interested candidates. The qualified candidate pool is then sent to the hiring manager for first and second interviews, during which candidates are asked standardized questions based on the requirements of the position. The candidate's responses are noted by the hiring manager, and all interview questions and responses are sent to the diversity and compliance team when interviews have been completed. All records are reviewed by the team, and dispositions for the candidate pool are entered and finalized. It's a thorough process – this team reviews the results of each pool and is responsible for managing all record-keeping.

In keeping with our decentralized culture, we believe the person best suited to make a hiring decision is the leader who is trying to fill the opening. While the process described above may appear rigid, it is designed to ensure consistency and fairness while still allowing hiring decisions to be made locally. This process is followed for all new hires as well as any internal transfers and promotions.

## Promoting From Within

We have always believed that promoting from within is the best way to reward our employees' hard work, excellent performance, and modeling of our values. We are committed to developing leaders who embrace our values, have a deep understanding of the business and a proven record of success, and in turn merit the respect of the team. This commitment is reflected in the experience required to advance to a leadership role. Advancement within the organization is based on hard work and execution of performance expectations. The promotion pathway is challenging, but it offers a powerful incentive for those with the determination and motivation to be successful, to develop and mentor co-workers, and to model our cultural values.

[Go to Careers](#)





## Training & Development

### Fastenal School of Business

Fastenal continues to invest in employee training and development through our corporate university, the Fastenal School of Business (FSB). FSB's professional staff focuses on course research, design, instruction, and employee advising to continually develop, maintain, and deliver Fastenal-specific training. Course offerings are available to all employees in areas such as sales, leadership, products, distribution, human resources, and safety. We also encourage employees to participate in additional training for specialized or technical areas outside of what FSB offers. In 2023, employees completed more than 874,000 FSB trainings (in addition to outside trainings). This involved, on average, 25 hours of training per full-time employee and 23 hours of training per part-time employee during the year.

### Creating Pathways for Success

To meet the needs of employees across the planet, FSB provides training through various delivery methods and strives to accommodate all styles of learning. That said, there is a globally consistent goal: continually enhance the knowledge and skills of our workforce, thus improving customer satisfaction and empowering employees to move forward in their careers. Our training culture reflects Fastenal's core belief in people and longstanding commitment to provide opportunities for promotion from within. By making role-specific training plans available to everyone in the organization, FSB provides clear pathways for employees to be successful in their current roles and to prepare for future roles.

### Developing Great Leaders

Managers (i.e., those positionally responsible for leading others) are automatically enrolled in our Leadership Training Plan, providing trainings on coaching, business ethics, recruiting, and other topics related to fair and effective leadership. It includes our flagship *LDR450: Leadership Enhancement Program* (which covers topics like dilemma management, leader influence, and emotional intelligence) as well as our long-standing leadership course titled *LDR210: Coaching*.

In the third quarter of 2023, two new leadership courses were introduced. The first course is *LDR410: Leading Talent Planning and Development*, which focuses on talent planning, assessing future potential, succession planning, collaborating on individual development plans, and having development conversations to build a strong future. The second course, *LDR209: Mentoring Practices for Shared Growth and Success*, focuses on mentoring skills, relationships, and consolidating learning from mentoring.

### Measuring Training Effectiveness

As we strive to consistently develop and deliver effective, efficient, and engaging training, it's important that we methodically assess our training to determine if we're meeting that goal and uncover opportunities for improvement. For each training, we use several methods to gauge employee knowledge and skill progression. These methods include (but are not limited to) knowledge checks, simulations, role plays, quizzes, tests, and business plans. Many of our classroom trainings are followed by on-the-job assignments, which allow employees to apply learned skills in their daily business and submit responses to their instructor for feedback and assessment. We also collect responses from employees via course evaluations, providing students with an opportunity to share their perspectives on the overall effectiveness of the course, the materials provided in the course, and their instructors. All of these measures help us continuously assess, update, and improve courses to keep the training relevant and valuable to our employees.

## Workplace Health & Safety

Our employees continue to distinguish Fastenal as a leader in workplace health and safety. We continually encourage safety participation through new-employee trainings and ongoing coaching, audits, inspections, risk assessments, safety committee meetings, and first-responder programs. In 2023, we completed nearly 214,000 health and safety activities, an increase of 7% compared to 2022. In addition to engaging 23,000-plus employees across the organization, our environmental health and safety (EHS) & sustainability team continually strives to reduce risk by improving facility conditions and operational processes. The high-level goal is to reduce our total recordable incident rate (TRIR) by 5% annually.



### Branch & Onsite Programs

Our network of more than 3,400 in-market operating units continues to be a key focus of our safety programs. Employee onboarding, a 90-day new hire program, leadership development, and facility condition assessments all play a role in instituting safe standards and practices. Through our onsite employee safety program, we strive to meet customer expectations and vetting requirements, which can include working with third-party verifiers to develop individual risk site assessments and site safety plans to minimize safety risks related to our employees.



### Operations & Manufacturing Programs

Proactive employee engagement is the key to Fastenal's safety culture. Programs such as job safety observations, near-miss reporting, toolbox talks, and trainings promote employee engagement and participation. A prime example: Our near-miss program incentivizes employees to report potential hazards to management before they lead to injury-related incidents. In 2023, employees in our North American distribution centers and manufacturing facilities participated in 5,813 more near-miss activities compared to 2022, reflecting their commitment to workplace safety. More generally, ideas and feedback from employees are playing a vital role in driving continuous improvement to our EHS programs.



### Fleet & Transportation Programs

With nearly 10,000 vehicles in operation, Fastenal continues to make fleet safety a priority. Employees participate in a variety of internal activities such as defensive driving, safe work practices, regular vehicle inspections, and load securement trainings – just a few of the many programs that help us reduce risk and improve safety for employees (and others) on the road. In 2023, employees completed a total of 21,897 transportation safety trainings, defensive driver trainings, and job safety observations, a 33.5% increase versus 2022.



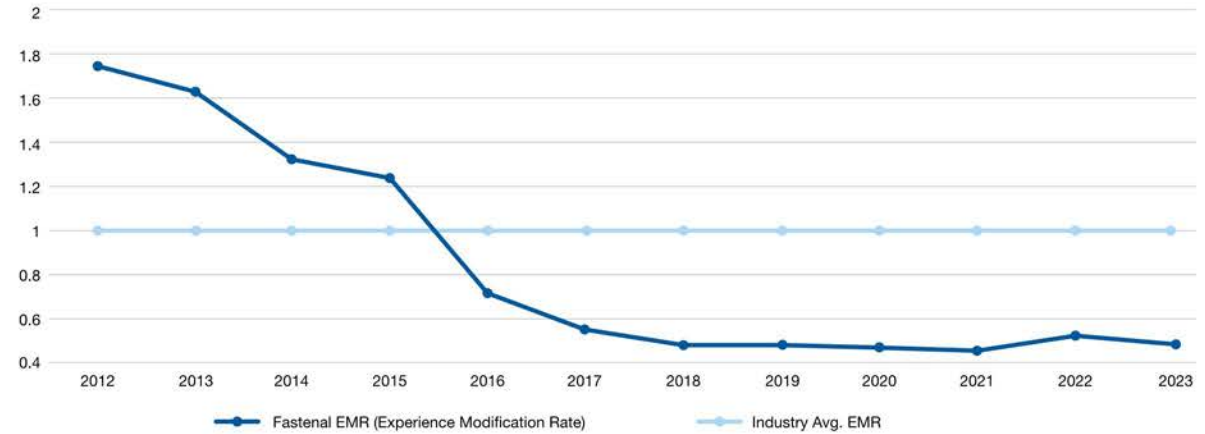
[View Our 2024 EHS Report](#)

## Health and Safety Impact

Our focus on employee engagement is producing excellent results. A widely accepted measure of organizational health and safety is the Experience Modification Rate (EMR). An organization's EMR is determined by the National Council on Compensation Insurance (NCCI) based on a comparison of its past and expected losses incurred through workplace injuries versus other organizations in its industry. The NCCI factors in variables such as the number of employees and the mix of job classifications to group organizations with similar characteristics into industries. Industry

**In 2023, Fastenal had an EMR of 0.49, which is 51% better than the average performance rate for our industry group.**

averages are benchmarked at an EMR of 1.00. A reduction from this rate reflects an organization's ability to implement superior safety procedures and protocols, resulting in a safer environment (with reduced personal and financial risk).



	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Fastenal EMR (Experience Modification Rate)	0.49	0.52	0.45	0.47	0.48	0.48	0.55	0.72	1.24	1.32	1.63	1.75
Industry Average EMR	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Delta (Fastenal vs. Industry)	-51%	-48%	-55%	-53%	-52%	-52%	-45%	-28%	24%	32%	63%	75%

## Awards and Programs



# Community Engagement

Since our start in 1967, Fastenal's founders have always believed in giving generously while staying out of the spotlight. They also believed in decentralized decision-making, which included empowering local employees to take the lead in company-sponsored community efforts. Today, this spirit shines through in local markets across the planet where our employees contribute to their communities through volunteering and donations. To provide resources and structure for these efforts, we're working to build a sustainable community strategy focused on the following areas.

## Pillars of Community Engagement



In 2023, Fastenal gave monetary donations of \$2.1 million to various organizations supporting these pillars. We also made in-kind donations (through our local branches and distribution centers) to various organizations and disaster relief efforts.



# BLUE TEAM BLOOD DRIVE

In the fourth quarter of 2022, we launched our Blue Team Blood drive in partnership with the American Red Cross and other blood supply organizations throughout North America and also in India (home to many of our IT employees). With this program, we're committed to hosting in-person blood drives for employees at large Fastenal facilities one to four times per year. We also created a virtual blood drive program, which allows employees, friends, and customers to participate at local community sites around the world. In 2023, we hosted 38 in-person blood drive events at large Fastenal facilities. Through these events and the virtual blood drive program, more than 1,350 units of blood were donated to help patients and save lives. As part of the program, we offer paid time for employees to donate (if they are able) and to assist in organizing and administering the blood drive events. In 2023, employees used this paid-time option to contribute more than 1,900 volunteer hours to this life-saving cause.



➤ Akron, Ohio



➤ Bangalore, India



➤ Edwardsville, Kansas



➤ Modesto, California



➤ Salt Lake City, Utah



➤ Winona, Minnesota



## Workforce Development

To support communities and engage with potential future employees, our local teams partner with a variety of educational institutions, from high schools to technical colleges and universities. Local employees lend their expertise to bring educational value to these programs, whether it's teaching courses through programs like Junior Achievement or leading seminars in college business departments. With Fastenal's financial backing, they also contribute to scholarships, classroom equipment, and learning activities. In 2023, we supported more than 50 programs/organizations by providing over \$860,000 in monetary donations (41% of our total monetary donations as a company) in addition to providing in-kind donations such as storage fixtures and tools for technical education classes.

### *Helping to Close the Industrial Skills Gap*

As an organization with deep roots in manufacturing and engineering, we are particularly focused on helping to address the deficit of skilled industrial labor in the United States. We believe a renaissance in the trade professions is needed to power future innovation, productivity, and prosperity. We also believe technical training offers a relatively affordable and attainable pathway for students and families in all walks of life to advance economically. By working to close the industrial skills gap, we believe we can create immediate opportunities while contributing to long-term economic security.

In 2023, we continued our ongoing support of Wells Academy, a 501(c)(3) education program that provides manufacturing machinist training and jobs for Native Americans in economically disadvantaged areas of northern Minnesota. Since 2016, we have awarded \$320,000 in scholarship funds for Wells Academy, providing significant financial support for the ongoing operation of this one-year program. Wells Academy was founded by Andy Wells, CEO and founder of Wells Technology, a high-precision fastener manufacturer in Bemidji, Minnesota.



### *Connecting Students With Industry*

Fastenal's workforce development efforts including supporting school programs and events that provide opportunities for students to experience the world of industry. For example, in December 2023, we helped fund a field trip for students of Rock Ridge Public Schools in Virginia, Eveleth, and Gilbert, Minnesota to visit Wells Technology in Bemidji (a roughly 2.5-hour drive). The day included a tour of the Wells Technology manufacturing floor and a firsthand look at different jobs and processes.

Students heard a presentation from a Minnesota state representative about the North Star Promise Program (providing a tuition-free pathway to higher education for eligible Minnesota residents). They also heard from Andy Wells, founder of Wells Technology, who provided tips on how to start inventing products and emphasized the demand for skilled workers in the manufacturing industry. Transportation for the trip was funded through a grant from Fastenal.

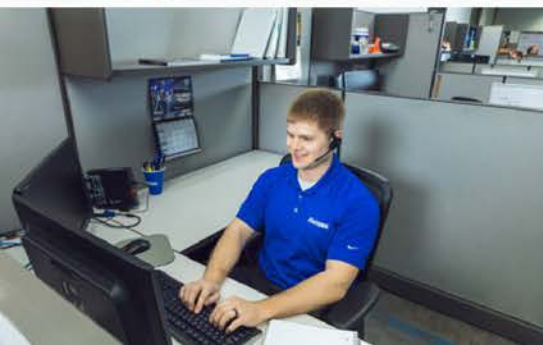
In recent years, our Fastenal Manufacturing division has partnered with several high schools and technical colleges to provide equipment (including lathes and robotic arms), scholarships, tuition and book reimbursement, training, sponsorships, and employment opportunities. What do these programs look like in action? [Click here](#) to watch a video about our employer partnership with Minnesota State College Southeast (MSCS).

In 2023, Fastenal became part of a core group of companies and individuals to invest in a three-year pilot of the College Opportunity Program. This program allows graduates of Winona, Minnesota area high schools to attend MSCS without any out-of-pocket tuition costs. Students must first apply for admission to MSCS and also complete the Free Application for Federal Student Aid (FAFSA). The program funds tuition expenses not covered by state or federal grants and also provides additional funds for books and other supplies. By making post-secondary education affordable for all students, the program removes the most common barrier to attending college. It reflects our belief in people, our focus on education, and our commitment to create opportunities for others.



### *Today's Students May Be Tomorrow's Company Leaders*

The regional operation managers at our distribution centers continue to build workforce development partnerships with technical colleges in their communities. A great example is our distribution center in Atlanta, Georgia, which has developed a longstanding relationship with West Georgia Technical College. In 2023, we donated \$10,000 to support the expansion of its Commercial Driver's License (CDL) program. Fastenal proudly employs several graduates of the program, including employees who have grown into leadership positions within our organization.



### *Making Learning Part of the Job*

Workforce development also includes investing in our current workforce. Fastenal leadership encourages employees to set aside time during working hours to participate in training through the Fastenal School of Business and other learning programs relevant to their current roles or career aspirations. The training goal is clearly communicated to everyone on the Blue Team: 30 hours per year for full-time employees and 15 hours per year for part-time employees.

## Disaster Response and Recovery

When disasters strike, Fastenal employees are able to work together across locations and departments to help our customers, employees, and communities. Our Blue Team Responds program facilitates cross-departmental collaboration to expedite emergency needs, and our in-house trucking fleet allows us to move supplies into disaster zones without having to rely on third-party carriers. A key advantage: having local “feet on the street” supported by layers of regional and nationwide resources. This allows us to proactively plan with strategic customers and government agencies, to react quickly in disaster situations, and to physically distribute urgently needed products in the community.

### Helping Others

# WEATHER THE STORM

The letter below was sent to our local Blue Team after Hurricane Otis hit the Acapulco area in late 2023.



*Hello, Blue Team!*

*Together we make a difference! Our donation campaign to help those affected by the hurricane in Guerrero is paving the way for humanitarian aid. Thanks to everyone who has contributed, we're helping to rebuild lives and provide hope. Let's continue to work together to support those who need it most.*

*Many thanks to the MRCUA (Cuernavaca, Morelos) branch for serving as our collection center, managing the receipt of donations from all branches, assembling 120 packages, and delivering them directly to Acapulco. The team made the delivery last Tuesday, December 12th, in one of the most remote neighborhoods of the city – an area the government is scarcely reaching.*

*A special thanks to District Manager Mariano Galindo for initiating the idea and making us all part of this noble work. We invite you to stay tuned for our campaigns. Our solidarity transcends borders and shows the strength of the Fastenal Blue Team.*

**-Miguel Ángel Avalos, EHS & Sustainability Manager**

As an industry, we are uniting in the cause for Guerrero, collecting first aid supplies to assist with the aid coming to affected zones.





### BK5K Road Race

Through our BK5K Road Race program, Fastenal employees organize 5K walk/run events (and free 1K kids races) in multiple communities. All proceeds, including contributions from event sponsors, are provided to 501(c)(3) non-profit youth organizations through a grant process. Since its initial run in 2000, the BK5K has funded 521 grants totaling over \$3 million. These proceeds support wide-ranging community requests, from equipment and supplies for sports and educational programs to life needs such as hygiene kits and weekend food boxes for school kids. In 2023, BK5K events were held in 10 cities, and \$352,000 was distributed to fund 81 grants. Behind the scenes, Fastenal employees volunteered an estimated 1,400 hours of their time for event planning, fundraising, grant reviews, and race-day coordination to help make the BK5K successful and impactful in their communities.



Our Blue Team Sport program supports community wellness by providing free athletic apparel for employees (and their family members) who participate in local sports leagues or programs. Since the program's introduction in 2012, more than 5,900 teams and nearly 60,000 individuals across North America have received Blue Team Sports apparel. In 2023 alone, we outfitted 530 local teams, providing apparel for 5,544 people to participate in a wide range of activities, including baseball, basketball, biking, bowling, cheer, cricket, curling, football, golf, gymnastics, hockey, kickball, lacrosse, powerlifting, rowing, rugby, running, skiing, soccer (football), softball, swimming, tennis, ultimate frisbee, disc golf, volleyball, wrestling, and (the latest addition) pickleball.

### Blue Team Giving

In 2023, we introduced the Blue Team Giving program, through which Fastenal matches monetary donations made by employees to fund the causes they care about most. [The only stipulation: It must be a 501(c)(3) public charity that falls under our community engagement pillars.] This crowd-sourced approach to giving reflects our culture of decentralized decision-making – i.e., our belief that the best solutions come from those closest to the problem. Rather than limiting our community focus to corporate-led initiatives, we're excited to empower and support an "army of givers" who are attuned to the needs and priorities of their local communities.



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# Preserving Our World

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## Our Strategic Focus

In 2022, we announced our intention to work toward a plan to reach net zero emissions by 2050, including an expectation to establish science-based targets in the coming years. As we progress in our journey, we continue to expand the information we gather and report to CDP (formally known as the Carbon Disclosure Project) in accordance with the Greenhouse Gas (GHG) Protocol. As mentioned in our previous ESG report, we have broadened our reporting to cover the entirety of our scope 1 and 2 emissions from all global business operations. As covered on pg. 31, we recently completed a scope 3 materiality assessment, an important step to further broaden our carbon inventory and establish baselines for science-based targets.

### Key Systems and Programs



We have received third-party certification to the **ISO 14001** environmental management standard. ISO 14001 provides a framework for us to design and implement an effective environmental management system.



We are an **ENERGY STAR** Partner, demonstrating a commitment to measure, track, and improve our energy performance. We use the ENERGY STAR Portfolio Manager to benchmark our energy use in individual buildings.



We are proud to be a certified EPA **SmartWay** Partner. This program provides us with tools and best practices to measure, benchmark, and improve our freight transportation efficiency.

## Raising the Bar for Efficient Operations

Fastenal's value proposition centers on helping organizations become more resource-efficient across the supply chain. It starts by driving efficiencies within the span we directly control – the vehicles, large facilities, and in-market locations we operate to serve customers across the country and around the world. The following section provides statements pertaining to our scope 1 emissions related to fuel combustion in our furnaces, boilers, and vehicles; scope 2 purchased electricity emissions; and waste diversion related to our own key facilities.

### 2023 Highlights – Awards & Certifications

*We were selected by Newsweek as one of America's Greenest Companies* (something only 300 companies in the United States can claim). The rankings reflect an analysis of organizations in the U.S. that have a minimum market capitalization of \$5 billion and adhere to the European Union sustainably standard guidelines. Evaluations are based on the companies' greenhouse gas emissions, water usage, water generation, waste generation, and sustainability data disclosure and commitments.

*The Business Intelligence Group credited Fastenal for the Sustainability Initiative of the Year within our industry* – for our program with Trex Company, Inc. to create a circular economy for plastic waste (see pg. 38). In addition, one of our corporate sustainability managers was asked to join the Business Intelligence Group's judges panel to help advise the business community on tactics for sustainable operations.

*We received a silver medal from EcoVadis*, signifying that the quality of our sustainability management system ranked in the top 25% of all companies in all industries rated by EcoVadis. We earned our first EcoVadis medal, a bronze, in December 2022. Prior to that, our sustainability programs and reporting did not merit a medal designation. This rapid improvement (from receiving no medal recognition to earning a silver medal within a two-year period) reflects a heightened and long-term commitment to invest in and continuously improve our core processes, systems, and reporting around sustainability.



## GHG Management

This year-over-year comparison of our scope 1 and 2 emissions reflects our ongoing efforts to reduce fuel consumption in our fleet operation and energy consumption in our facilities.

Scope	2023 (Metric ton CO2e)	2022 (Metric ton CO2e)
Scope 1*	130,852	132,879
Scope 2**	39,077	40,074
<b>Total***</b>	<b>169,929</b>	<b>172,953</b>

Scope 1	Business Division	2023 Scope 1 Emissions (Metric ton CO2e)	2022 Scope 1 Emissions (Metric ton CO2e)
	Transportation	113,034	113,453
	Manufacturing	3,187	3,494
	Distribution Centers	1,925	1,376
	Branch Locations	12,706	14,556
	Support	-	-
	<b>Scope 1 Total</b>	<b>130,852</b>	<b>132,879</b>

Scope 2	Business Division	2023 Scope 2 Emissions (Metric ton CO2e) Market-based	2022 Scope 2 Emissions (Metric ton CO2e) Market-based
	Transportation	-	-
	Manufacturing	7,077	7,273
	Distribution Centers	11,976	11,776
	Branch Locations	19,014	21,025
	Support	1,010	-
<b>Scope 2 Total</b>	<b>39,077</b>	<b>40,074</b>	

\*Scope 1 emissions are the result of direct fuel consumption by sources we control or own, such as vehicles or boilers. Scope 2 emissions are the result of purchased grid electricity. The data applies to all global business activities.

\*\*Scope 2 data is market-based, not location-based. (Market-based data is considered more accurate and is preferred by reporting frameworks.)

\*\*\*We refined our methodology while calculating our 2023 Scope 1 and Scope 2 emissions to more accurately reflect our branch consumption. Accordingly, we have restated our 2022 data to reflect alignment with this methodology, resulting in an overall decrease to our 2022 emissions from what was included in Fastenal's 2023 ESG Report by 7.8%.



## Beginning Our Scope 3 Journey

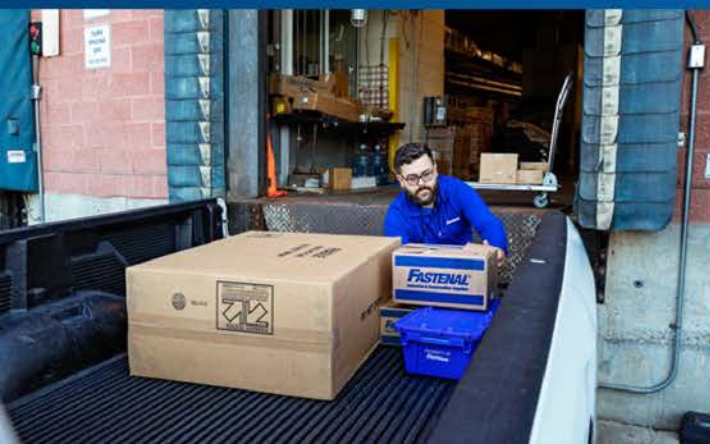
In the second half of 2023, we conducted a scope 3 materiality assessment with a leading third-party consultant to gain insight into our scope 3 emissions (i.e., emissions created upstream and downstream in our value chain). At this early stage of the journey, we are not yet able to provide meaningful scope 3 reporting. However, we plan to apply the output of this exercise to gain a more complete understanding of the carbon inventory related to our business and develop strategies to further reduce our environmental impact.

## Transportation

### Driving Toward a Greener Future

A key (and differentiating) feature of Fastenal's service model is our in-house transportation network, which allows us to control the movement of materials across much of the supply chain. Our North American fleet includes more than 800 commercial motor vehicles (CMVs) as well as nearly 8,300 RAM pickup trucks used by our local teams to provide final-mile delivery service.

On a technical level, operating such a large fleet makes our scope 1 reporting higher than it would be if we relied more heavily on third-party carriers, as is standard in our industry. (Outsourcing transportation means a larger share of emissions falling under scope 3 vs. scope 1.) However, in the bigger picture, it challenges us to be a leader in transportation efficiency. We embrace this stewardship by investing in the latest vehicle technology and by working to optimize routes, loads, and efficiency at every mile – from supplier pick-ups, to transfers for secondary operations, to final-mile delivery, all streamlined by a deep and direct understanding of our customers' needs.



#### Extending the "Last Mile" to the "Last Yard"

- In addition to picking up shipments from suppliers and transferring products across our distribution center network, our CMV fleet transports approximately 90% of the product tonnage moved from our regional distribution centers to our in-market operating units (a core aspect of our local service model).
- Roughly two-thirds of our North American branches receive their product deliveries via our CMV fleet during the night (low-traffic hours associated with better overall fuel efficiency).
- The RAM pickup fleet is used by our local branch personnel to execute final-mile delivery to the customer, and in many cases the destination is a point-of-use device within their facilities – a unique capability made possible by our investment in final-mile transportation and high-touch service.



## Fuel Efficiency Strategies

Because we sell and replace a large portion of our fleet annually, we are regularly reviewing the latest fuel efficiency and safety options. In 2023, we replaced roughly 1,820 vehicles to capture the newest technology. This included ordering 713 vehicles equipped with embedded telematics, which will provide local managers with visibility to the vehicles' fuel consumption and related data such as idling time, speed, and acceleration – a valuable tool to improve the efficiency of the units.

### *A Proud SmartWay Partner*

Since mid-2019, Fastenal has participated in the United States Environmental Protection Agency's SmartWay program, which helps partnering carriers learn best practices, demonstrate their efficiency achievements, and pursue continuous improvement. We're working to positively impact fuel efficiency in a variety of ways:

Using geographic information systems (GIS) to map the most efficient truck routes

Analyzing departure and arrival schedules to minimize delays caused by traffic in metro areas

Optimizing load configuration to minimize non-utilized capacity

Back-hauling freight from suppliers and also customers (through our third-party logistics service) to minimize one-way or "deadhead" loads

Using telematics to monitor driving activities and identify opportunities to improve fuel efficiency



## Testing and Implementing New Technologies

Our drive for efficiency includes an ongoing commitment to test and, when feasible, adopt alternative fuel vehicles. In 2020 and 2021, through a fleet-electrification collaboration program with Penske Leasing and Daimler Trucks North America, we conducted a short-term pilot of a fully-electric Freightliner eCascadia semi-truck in the Los Angeles metro area. After running the truck on a regular route for one month, we provided real-world feedback to guide future improvements to the technology. As part of the program, we also conducted a longer-term pilot with two fully-electric Freightliner eM2 straight trucks, which we ran on daily routes within the Los Angeles metro area in 2020 and 2021. It proved to be a good fit for certain use cases, and in late 2023 we signed a lease agreement for two of these vehicles, which we plan to start running in the Modesto, California area in fall 2024.

In fall 2021, we conducted a test of a demo Orange EV fully-electric yard tractor at our Indianapolis, Indiana distribution center. (Yard tractors are used to move trailers and containers within the cargo yard.) Based on the success of the test, we subsequently purchased a new Orange EV fully-electric yard tractor for the facility, and the vehicle went into operation in July 2023.

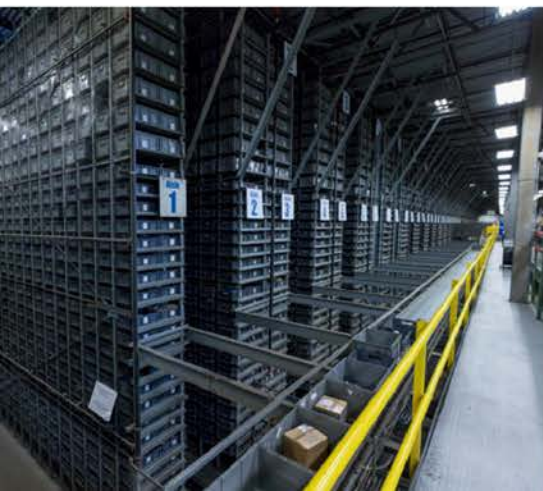
## Facilities & Operations

In 2023, we continued our push for operational efficiency by completing 111 environmental projects in our facilities, including waste reduction, recycling, and energy reduction projects. This involved a total investment of \$372,400, a projected annual cost savings of \$844,700, and an estimated annual reduction of 3,040 metric tons of CO<sub>2</sub>.

### Energy Use and Consumption

From technology investments to behavioral changes, we're taking a holistic approach to reduce energy consumption throughout our brick-and-mortar footprint. Here are some recent and in-progress highlights:

- We continue to operate in BREEAM-certified facilities in Dordrecht, Netherlands and Brno, Czech Republic; and we currently operate in two large buildings equipped with solar power technology: one leased (Dordrecht, Netherlands) and one owned (Winona, Minnesota).
- Through Puget Sound Energy's Sustainability Leadership Partners program, our Lacey, Washington distribution center used 100% wind energy in 2023.
- Our downtown office building in Winona, Minnesota and our distribution facilities in Lacey, Washington, Salt Lake City, Utah, and Madison, Mississippi achieved ENERGY STAR certification in 2023. We are working to have additional buildings certified in 2024.
- In 2024, we expect to participate in the EPA's Green Power Partnership to purchase and use solar and wind energy within our distribution centers and manufacturing locations.
- We recently broke ground on a new building in Salt Lake City, Utah that will serve as our distribution center for the region. This building has been designed with energy-efficient features and is slated to be completed in 2025.



### Warehouse Automation: Maximizing 'Sales Per Square Foot'

Over the past decade-plus, one of our key metrics has been increasing our product sales per square foot in our distribution centers. High-density automated storage and retrieval systems (ASRS) equipped with conveyors and robotic cranes have positively impacted this ratio by increasing throughput while optimizing space. For example, the ASRS installation in our Winona, Minnesota distribution center required a 42,000 square-foot facility expansion. If we had opted for traditional shelving instead of ASRS technology, the expansion would have had to be nearly four times larger to provide the same warehousing capacity.

Today, 11 of our 15 North American distribution centers are equipped with ASRS systems, and another installation is planned for 2025. These investments are allowing us to support our growing business with a more compact warehousing footprint and, in turn, less energy consumption.

## Evolving Our Branch Infrastructure

Over the last several years, we've been restructuring our United States branch model to be more customer-focused and space-efficient. This includes removing standardized (non-market-specific) inventory, reducing or removing walk-in shopping space, and using that square-footage to install high-density vertical shelving to support customer inventory needs. In select locations, we're also implementing "pick modules" to create a second floor of warehousing space, supporting thousands of additional products within the existing building. As a result of these strategies, we're gaining significant capacity across our branch network – room to grow the business and improve customer service without expanding our brick-and-mortar footprint and associated energy consumption.



## Space Optimization Projects

In 2023, we completed space optimization projects at 64 branch locations, which included installing 20 pick modules. Moving forward, we expect to increase the number of projects we complete each year, including pick module investments. As part of our brick-and-mortar evolution, we have also optimized our branch footprint in many markets across the country, in some cases by bringing multiple in-market teams together to operate out of a single building – another driver of energy efficiency in our branch network.

Completed Resets / Installs				
	2023	2022	2021	2020
Pick Modules Installed	20	21	8	0
Total # of Install Projects	64	59	66	152





### Onsite: Sharing Space, Saving Energy

Perhaps the biggest driver of change to our local footprint has been the rapid adoption of our Onsite model. With this approach, we typically use available space within the customer’s facility to provide dedicated staff and inventory for their operation. The environmental benefit is direct: By sharing space rather than operating out of a separate in-market location, we’re consuming minimal additional energy and producing fewer additional emissions. We believe the model also allows us to play a more active and impactful role in helping the customer reduce supply chain waste – for example, by reducing emergency deliveries, wasteful consumption, and excess inventory.

As illustrated below, while our total number of in-market operating units has increased gradually in recent years, the ratio of Onsite operations to branch locations has increased dramatically. This structural shift, coupled with our branch space optimization efforts, is making our local footprint increasingly space- and energy-efficient. We believe our traditional branch count will stabilize moving forward; however, we plan to continue to focus on adding Onsite operations as a primary growth strategy.

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Onsites	1,822	1,623	1,416	1,265	1,114	894	605	401	264	214
Branches	1,597	1,683	1,793	2,003	2,114	2,227	2,383	2,503	2,622	2,637
<b>Total</b>	<b>3,419</b>	<b>3,306</b>	<b>3,209</b>	<b>3,268</b>	<b>3,228</b>	<b>3,121</b>	<b>2,988</b>	<b>2,904</b>	<b>2,886</b>	<b>2,851</b>

\*Global Numbers

### ENERGY STAR Program

Initiated in early 2021, our partnership with ENERGY STAR provides us with tools to benchmark our electricity and natural gas usage in all of our United States and Canada locations. In 2023, we completed more than 1,000 ENERGY STAR assessments for Fastenal locations larger than 5,000 square feet.



In late 2022, our distribution centers in Salt Lake City, Utah and Lacey, Washington became our first facilities to be certified as ENERGY STAR buildings. In 2023, those distribution centers were recertified, and they were joined by two newly-certified facilities – our distribution facility in Madison, Mississippi and our downtown office building in Winona, Minnesota.

In 2023, we began an ENERGY STAR Treasure Hunt program with all of our North American distribution centers and manufacturing facilities. The purpose was to assess where (and how much) energy is being used in each facility and to pursue energy savings opportunities through behavioral, operational, and maintenance actions. Our goal: a 10–15% reduction in energy use at each location in the first year of the program.

In 2023, we made improvements in more than 15% of our U.S. and Canada traditional branches based on ENERGY STAR recommendations. These improvements include programmable thermostats, more efficient thresholds on exterior doors, LED lighting, and energy management programs for HVAC optimization. In 2023, our EHS and sustainability team worked with our branch teams to complete a total of 3,770 assessments, audits, and projects.

[View Our 2024 EHS Report](#)

## Reducing, Reusing, and Recycling

### Sustainable Procurement & Material Consumption

In 2023, we created a waste management program aimed at reducing our waste-to-landfill impact while generating direct cost savings. By profiling and tracking waste streams, we are able to identify opportunities to improve our carbon footprint through waste reduction activities. The objective of the program is to improve our waste diversion rate 10% annually compared to the baseline year of 2021.

### Creating a Less Packaging-Intensive Distribution System



As part of our automated storage and retrieval systems (see pg. 34), our distribution centers utilize an estimated 115,000 reusable composite bulk bins and totes to store inventory and make deliveries to our in-market servicing locations, reducing the use of cardboard, wood, plastic, and other shipping/packaging materials.

It's part of a larger trend in our business. Products supplied through Fastenal Managed Inventory (FMI) programs, which today represent a large and fast-growing share of our total sales, generally require less packaging than products provided through a traditional retail or direct-ship model. As our distribution system becomes increasingly "FMI-centric," we're working internally and with our manufacturing partners to reduce unnecessary packaging.

In 2023, we joined the **Sustainable Packaging Coalition (SPC)**. The SPC brings together businesses, educational institutions, and government agencies in a collaborative environment where they can access tools (such as technical guides and reports) and share ideas with others within similar supply chain positions.

### Waste & Recycling

As an organization, we recycled roughly 16.4 million pounds of material in 2023. Our waste diversion rate increased from 70% in 2022 to 78% in 2023. The top performers in both years were our manufacturing facilities in Wallingford, Connecticut and Winona, Minnesota, which in 2023 had waste diversion rates of 98% and 94%, respectively. (This was achieved in part by recycling oily wastewater and selling scrap metal that would otherwise end up in a landfill.) In late 2023, we began the journey toward zero waste certification for these facilities and we have a goal to achieve this certification in 2024.

Distribution Center and Manufacturing Waste Diversion	% Chg 2023 vs. 2022	2023 (lbs)	Tonnes	2022 (lbs)	Tonnes	2021 (lbs)	Tonnes
Recycled and Reused Wood Pallets	2.5%	3,931,032	1,966	3,834,010	1,917	3,013,154	1,507
Recycled and Reused Cardboard	12.0%	1,798,314	899	1,582,550	791	1,397,690	699
Recycled Metals	4.6%	5,400,463	2,700	5,151,601	2,576	3,509,198	1,755
Recycled Composite Pallets	24.1%	134,808	67	102,262	51	117,000	59
Recycled Plastic Wrap	15.9%	98,989	49	83,274	42	60,354	30
Hazardous and Universal Waste	1.0%	9,150	5	9,062	5	158,592	79
Non-Hazardous Waste	9.0%	21,134,163	10,567	19,239,748	9,620	13,253,040	6,627

## Turning Pallet Wrap Into Patio Decks

Plastic wrap (aka polyethylene film) presents a vexing waste stream challenge for a distribution company like Fastenal. We need it to secure palletized shipments, and we receive tons of it into our distribution centers each month. But there is no use for it once the pallets are unwrapped, and local recyclers often don't have programs to divert the material from landfills.



In 2023, we found a creative solution to turn this waste stream into a value stream by launching a large-scale recycling partnership with Trex Company, Inc.. Trex produces composite outdoor decking made from 95% recycled and reclaimed materials, so our plastic waste becomes their raw material. To support this circular economy, Fastenal invested more than \$300,000 in equipment in our distribution centers to bale and prep the material for shipment to the nearest Trex warehouses.

The environmental impact: We're on track to keep more than 600,000 pounds of Grade A plastic out of landfills in year one of the program, and we're looking to divert even more material in years to come as we leverage our transportation network to backhaul plastic from our in-market operating units and potentially offer a take-back service for customers.

## Water Consumption & Natural Resources

Although we believe our water consumption and risk exposure are low, we're taking steps to properly manage this critical resource. We comply with the United States Clean Water Act and relevant regulations in other countries where they apply to our operations – for example, in our management of storm water run-off, water permitting, and industrial waste water. In addition, we constantly work to reduce wasteful consumption of clean water.

With regard to new location builds, we follow guidelines set by the World Wildlife Fund and Federal Emergency Management Agency to minimize our impact on areas with high water stress levels. The table below indicates the percentages of our North American distribution and manufacturing locations situated in high water stress areas, medium water stress areas, and low water stress areas based on a water stress risk assessment tool provided by the World Wildlife Fund (WWF Water Risk Filter).

Water Stress Levels	Distribution and Manufacturing Locations
High	10%
Medium	35%
Low	55%

## Environmental Risks & Opportunities

Our North American distribution centers and manufacturing facilities have received third-party certification to the ISO 14001 standard. ISO 14001 specifies requirements for an environmental management system an organization can use to enhance its environmental performance through more efficient use of resources and reduction of waste and energy. To help us continue to perform at a high level and meet ISO 14001 requirements, we've partnered with two third-party firms, U.S. Compliance and EMI, which provide a variety of consulting and auditing services. We use risk assessments from these partners to identify areas of opportunity and consistently improve sustainability within our business operations. These assessments help us sustain environmental regulatory compliance in areas like air quality, the Clean Water Act, and the EPA's Resource Conservation and Recovery Act – all helping Fastenal maintain a low level of risk for the environment.



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# Serving as a Trusted Partner

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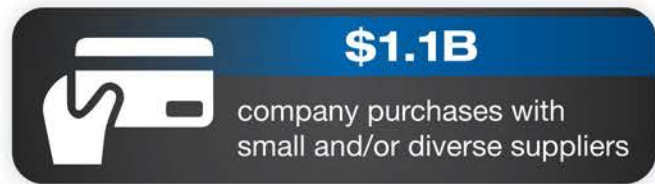
## A Partner for Positive Change

Because Fastenal is part of so many organizations' supply chains, when we improve our ESG practices, it can be amplified on a global scale. The impact isn't isolated to our internal operations. We also provide programs to help customers operationalize, enhance, and measure their own ESG initiatives. The following section centers on these customer-facing offerings, including our environmentally-focused Sustainability Solutions as well as additional solutions to assist customers with supplier diversity, workplace safety, and eProcurement (i.e., tools to procure products aligned with their ESG priorities).



## Supplier Diversity Program

We serve as a point of connection between organizations looking to increase their diversity spend and a network of well-qualified small and/or diverse suppliers striving to grow their businesses and create opportunities in their communities. It is our policy to advocate for these businesses by working to match their capabilities with the needs of our customer base. As part of this effort, we support organizations with customized reporting, helping them benchmark and measure progress toward their diversity spend goals. Below are some key metrics reflecting the scope of our supplier diversity program in 2023.



We also offer a **Tier 1 (authorized reseller) program**, which consists solely of small and/or diverse businesses. Through this program, the customer is able to transact with diverse businesses that serve as authorized channels of distribution for Fastenal's product offering and services.

[Go to Supplier Diversity](#)

Fastenal is a proud member of the **National Minority Supplier Development Council (NMSDC)**, which works to create connections between 16,000-plus minority business enterprises (MBEs) and more than 1,700 corporate NMSDC members. This resource provides tools for us to identify and build relationships with MBEs that enhance our product offering and supplier diversity program.





## Safety Specialist Program

Fastenal's safety specialists work with our customers' environmental health and safety (EHS) teams to help them:



Eliminate potential serious injuries and fatalities in the workplace



Reduce regulatory, financial, and operational risk by improving compliance with governing bodies such as the Occupational Safety and Health Administration (OSHA)



Improve transparency and control around their personal protective equipment (PPE) programs, which can have a significant impact on the waste stream

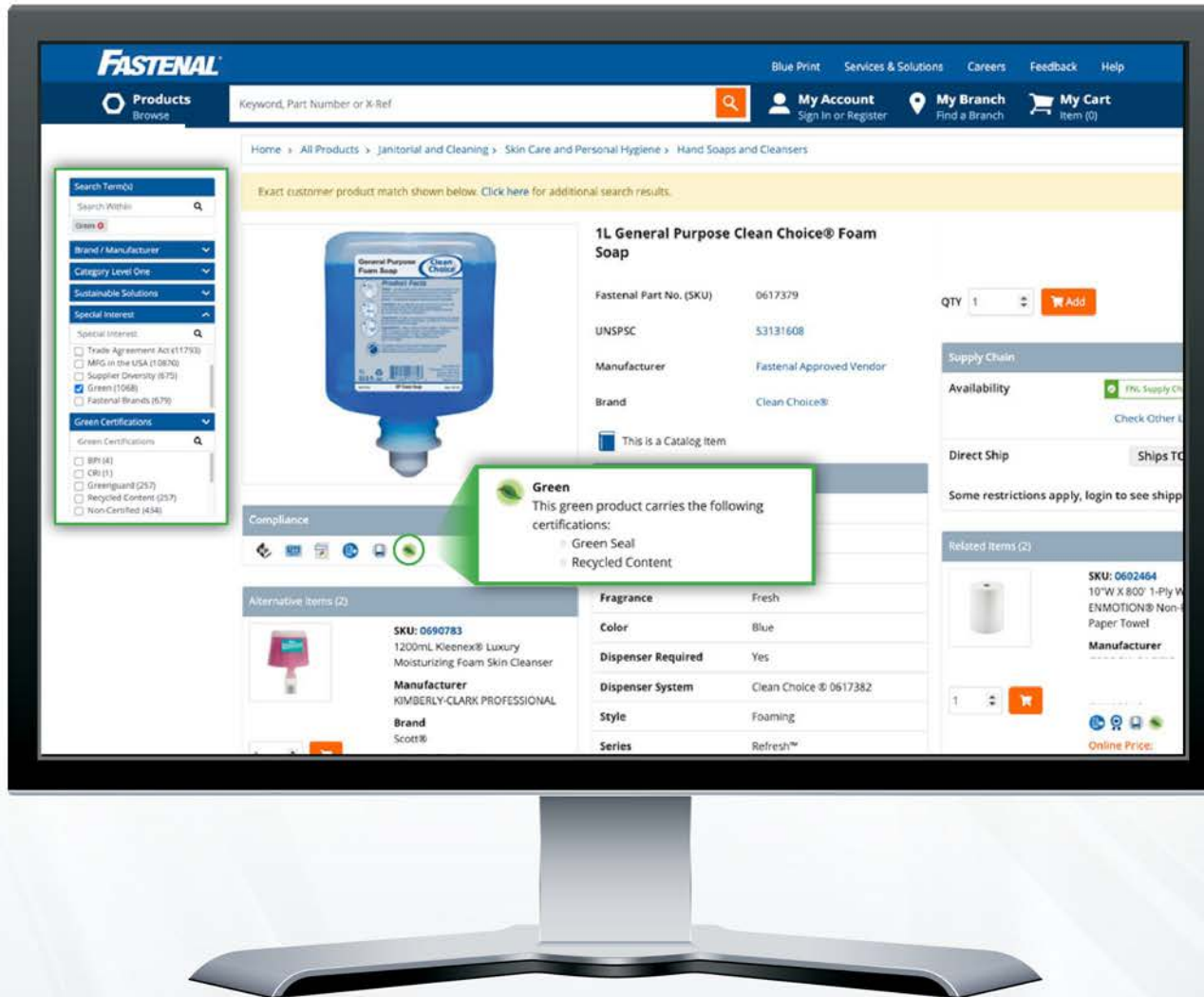
The journey often begins by performing hazard and risk assessments at the customer's site to identify potential workplace hazards and opportunities for improvement. With a solid understanding of the workplace, our specialists guide stakeholders to the correct PPE for specific applications and risks.

As part of the risk reduction process, safety specialists work with other teams in our business to secure the customer's supply chain for PPE. This includes tailoring FMI Technology solutions for their safety product needs and dedicating inventory to those customers that commit to Fastenal as their safety distributor of choice.

FMI Technology offers an additional set of benefits in the context of a PPE program. The devices make compliant PPE visible and accessible 24/7, offer controls to help prevent employees from using non-compliant PPE for their specific roles, and provide visibility to how safety and first-aid products are used in the workplace (a tool to monitor program compliance and detect workplace hazards). As a direct resource for EHS professionals around the world, our safety specialists have helped make PPE the most common type of product supported by FMI Technology. In turn, they've helped make PPE supply chains more efficient, transparent, and secure on a global scale.

## eCommerce Tools

Our eCommerce platform offers tools to help customers dial in on products that meet their application and compliance needs. This includes a range of “sustainability” and “special interest” filters that allow users to narrow their search results based on very specific criteria (for example, products with certain green certifications, supported by specific recycling/sustainability programs, or sourced from a targeted category of diverse suppliers).



To help customers identify compliant solutions when researching and shopping, we display the following logos in conjunction with relevant products throughout our eCommerce platform.



Green products



Products compliant with green building/project certifications (e.g., LEED)



Products sourced from small and/or diverse suppliers



Products supported by our recycling programs or other sustainability programs



Products that can be vended to control consumption

**How to Use eCommerce Tools**



# Sustainability Solutions

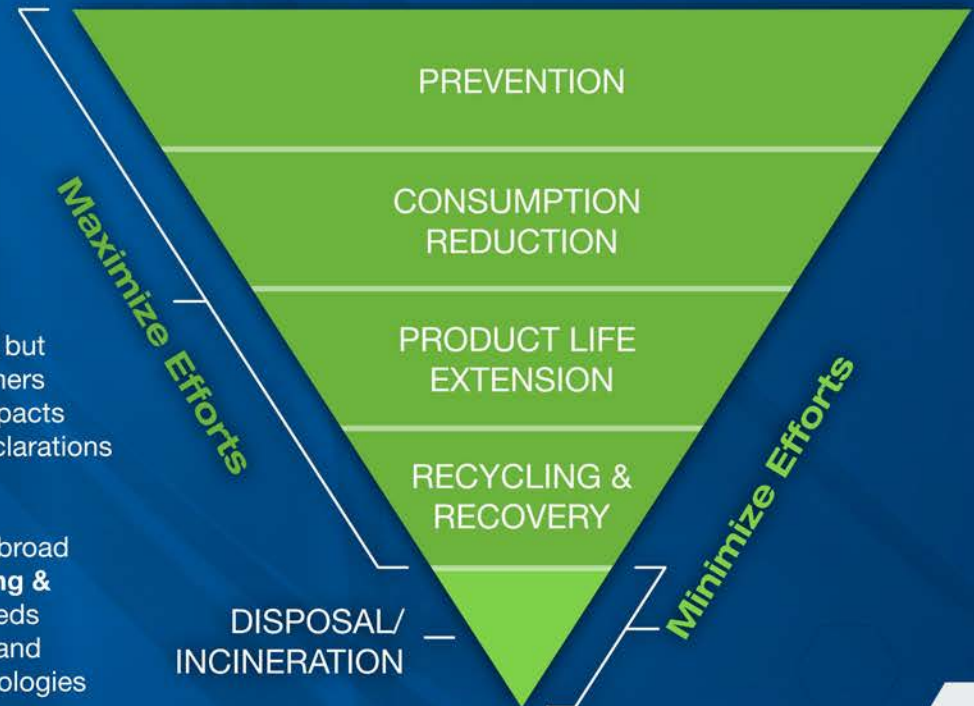
Our customers recognize that sustainability is a grassroots effort, and that every member of the organization – from senior leadership to new employees – can affect the outcome. It starts with changes in behavior and a desire to implement process improvements for a healthier environment and sustainable future.

To help organizations turn grassroots energy into reportable results, Fastenal partners with suppliers, manufacturers, and industry-leading service providers to offer turnkey sustainability solutions. These solutions are part of a continuous improvement plan to (1) *develop and implement strategic initiatives*, (2) *drive innovation in environmental practices*, and (3) *work cross-functionally to achieve long-term sustainability improvements*. Our supplier/third-party programs are complemented by many of the core services and solutions we offer to help customers become more resource-efficient across the value chain.

### A Total Lifecycle Approach

Recycling is often the first topic that comes up in discussions about sustainability, but it's really the last step in a comprehensive program. Fastenal is helping our customers understand the full picture – the upstream impacts (suppliers) and downstream impacts (waste generation) that can be attributed to products in environmental product declarations (EPDs).

Reflecting this cradle-to-grave perspective, our Sustainability Solutions span four broad areas: **prevention, consumption reduction, product life extension, and recycling & recovery**. It starts by consulting with the customer, understanding their unique needs and goals, and presenting a set of solutions to help them operate more efficiently and sustainably. Read on for an overview of the various programs, services, and technologies that can be part of a sustainability solution.





## Prevention

## Consumption Reduction

## Product Life Extension

## Recycling &amp; Recovery

Supporting sustainable procurement, energy efficiency projects, and process efficiencies in manufacturing and metalworking

## Green and Energy-Efficient Products Program

To meet a broad range of our customers' application needs, Fastenal offers approximately 52,700 green products, including certified green products as well as environmentally preferable products (see definition below) within our standard eCommerce catalog. We have identified that these products (1) reduce negative effects on human health and the environment compared to competing products and/or (2) promote sustainability through resource conservation, end-of-life waste management, and life-cycle analysis. In addition to managing our green product program, Fastenal's compliance specialists assist customers with goal creation, sourcing, and custom reporting in support of their sustainable procurement initiatives.



### Certified Green Products

Guided by international standards, our global compliance teams work with third-party agencies around the world to vet products and confirm the accuracy of green benefit claims. These team members are located in the United States, Canada, Mexico, Brazil, the United Kingdom, Continental Europe (in several countries), and China, providing local expertise and advocacy across global supply chains. [Click here](#) to view the list of third-party entities we've aligned with to assist us with confirming the integrity of our certified green product program.



### Environmentally Preferable Products (Applies to Non-European Locations Only)

Environmentally preferable products have a lesser or reduced effect on the environment when compared with competing products or services that serve the same purpose. We offer this designation because third-party certifications do not exist globally for all green products and categories. Products may be considered environmentally preferable for various reasons. For example, they may help reduce energy consumption, they may have low or no VOCs (volatile organic compounds), or they may come from suppliers with commitments to sustainability in their manufacturing processes. This can include reduced packaging and/or recycled content.



### Energy Efficiency Consultation

Through our third-party programs, we offer consulting and implementation services for energy efficiency projects. This involves a facilities-wide evaluation to recommend systems-based and operational improvements, including detailed assessments of energy savings and return on investment. Examples include providing expert consultation and project management for LED lighting conversions and suggesting the best air filtration products for the customer's HVAC equipment based on their priorities for performance, cost, and energy efficiency.

## Category Management

Assisting customers with category management is central to our value proposition as both a strategic supplier and a sustainability solutions provider. It involves analyzing the products used throughout the customer's operations, often on a global scale, and looking for opportunities to streamline the supply chain by:

1. Standardizing part numbers
2. Rationalizing overlapping SKUs (items with the same fit, form, and function but sourced from different factories)
3. Switching to alternatives that provide greater lifetime value, which often means longer-lasting items with a reduced environmental impact

From there, we can dig deeper for additional environmental benefits. Is there a green product alternative that meets the application need? Can it be supplied through a Fastenal vending program to reduce packaging and consumption? Can it also be included in a recycling program to create a circular economy?

A prime area of opportunity is the safety/PPE product category, which is well supported by our green product program, our FMI Technology program, and our third-party recycling and recovery programs. The driving force is our safety specialist team – highly-trained, broadly experienced EHS experts who point our customers to the best product solutions to balance their needs for safety, sustainability, compliance, and cost. We also offer high-level product and application expertise to support the metalworking and fastener categories.



## Metalworking Program

Some of the products we supply are highly technical in nature, requiring specialized expertise for us to serve as a solutions provider for the customer. A prime example: metalworking products, particularly the high-precision cutting tools manufacturers use to fabricate metal components.

To provide expert support in this category, we maintain a team of metalworking specialists. Their core role is to visit customer sites, meet with stakeholders and collect data to gain an understanding of their operations, and present solutions to help them operate more efficiently. This can include inventory management solutions to reduce consumption and streamline the supply chain, as well as cutting tool regrinding programs to extend product life. (More on both topics to follow.) They are also well versed in recycling programs for cutting tools and fluid management systems.

Another metalworking resource is our team of field application specialists – technical professionals with years of production experience. These individuals focus on improvements to the customer’s manufacturing processes, which may involve conducting product-life and performance testing to identify the most cost-effective tooling solutions for specific machines and processes. The goal: **greater productivity with less resource consumption.**



[Go to Metalworking Program](#)



## Fastenal Named 2023 Recycler of the Year by GreenTech Global Recycling



This is a story of shared success with our metalworking customers, GreenTech Global Recycling, and Greenfield Industries (a key Fastenal supplier that shares its parent company with GreenTech). Our role in the story is to help customers implement a workflow to recycle their used cutting tools via containers provided and collected by GreenTech. These customers receive payment for the material, which is processed into raw metal used by Greenfield Industries to manufacture new cutting tools. In 2023, Fastenal customers recycled 36,656 pounds of material through the program.

The partnership is producing important wins, including a reduced need to extract raw materials from the earth, less material ending up in landfills, and an opportunity for our customers to improve their sustainability performance while monetizing waste. A smaller win (but one we’re nonetheless proud of) is that Fastenal was named GreenTech’s recycler of the year for 2023. The award was based on several factors, including an 85% increase in pounds of material recycled by our customers in 2023 vs. 2022.

We’re excited to see the next chapters in this shared success story as we continue to work with our customers, GreenTech, and Greenfield Industries to create a circular economy for this valuable material.

## Engineering Program

We also support manufacturers with a global team of engineers who specialize in the science surrounding fasteners and fastening applications. In addition to reviewing prints, assisting with technical questions, and conducting trainings, these professionals work with customers' engineering teams during the design stage to optimize how fasteners are incorporated into the product. They also provide expert consultation and custom testing for safety-critical applications.

The following services offer environmental benefits (in addition to cost, safety, and quality benefits) by helping manufacturers use fasteners more efficiently and effectively in the production process.



### Fastener Optimization

Fastenal Engineering engages in projects where the customer's fasteners and their applications are reviewed in detail to identify opportunities to consolidate products, eliminate SKUs, and improve the overall assembly process. We also look for ways

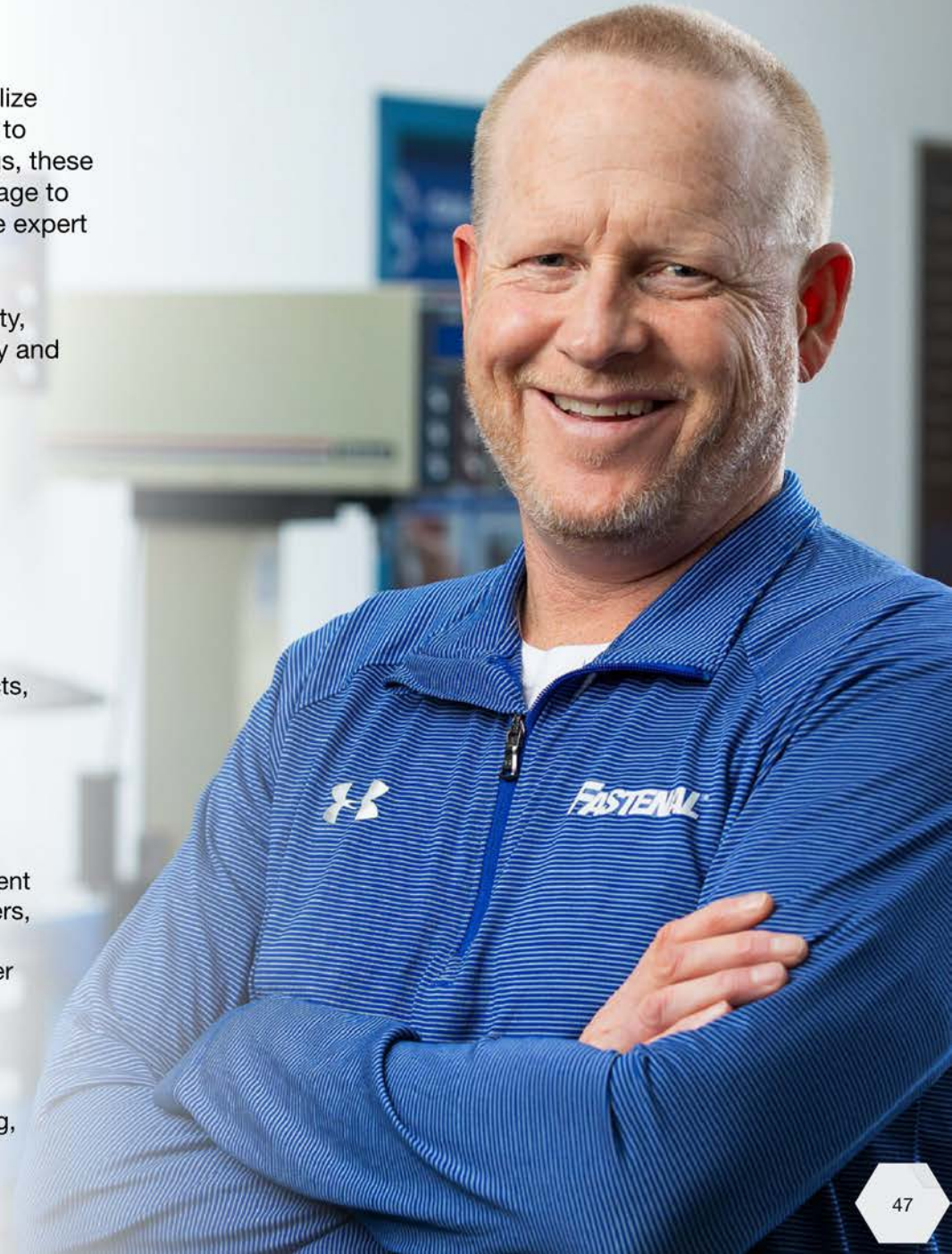
to help customers reduce scrap and rework related to fasteners, and to solve fastener failures during assembly and service. Our optimization services range from production line walks to product teardowns and SKU consolidation projects, all of which help simplify the supply chain and reduce the complexity of the fasteners in our customers' products.



### Fastener Alternatives

Our engineers also support customers in new product development and in improving legacy designs by proposing alternative fasteners, finishes, and assembly processes. Standardizing fasteners that do not truly need to be special and finding more accessible, lower cost fastening solutions can help improve the efficiency of the

supply chain. Whether a customer is looking to eliminate hexavalent chromium from their finishes, find a longer lasting coating for a challenging service environment, or reduce the risk of product shortages and expediting costs, our engineering experts can offer solutions, including validation analysis and testing, to help them build a better product, more efficiently.



Prevention

Consumption Reduction

Product Life Extension

Recycling & Recovery

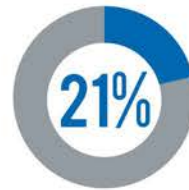
Streamlining supply chain steps, visualizing usage, controlling consumption

## Total Cost of Ownership (TCO) Analysis

In order to make data-driven recommendations for process improvements, our Lean Solutions team routinely conducts TCO Analysis (TCOA) exercises at customer facilities to analyze how they purchase, move, stock, and access products. Historically, these studies reveal an opportunity to reduce the TCO for in-scope products by an average of 21%\* by using our solutions.

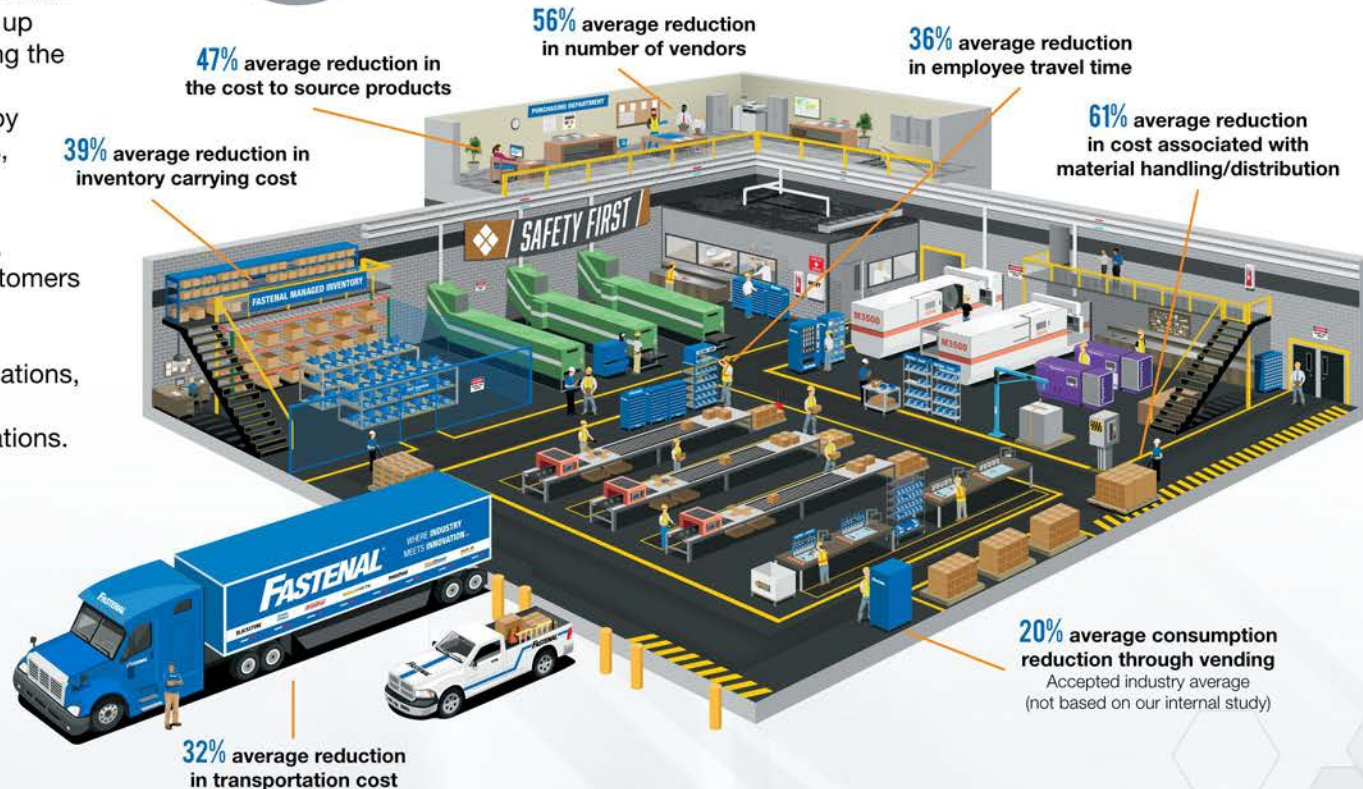
Those are dollar savings, not emissions savings, but we believe there are also intrinsic green benefits. For example, our inventory management services present an opportunity for customers to reduce their inventory carrying cost (a reflection of how much inventory is stocked in their facilities) by an average of 39%.\* This represents direct resource reduction. It also frees up productive space in the customer's building, forestalling the need for expansion (and accompanying resource consumption). Consolidating the number of vendors (by 56%\* on average) leads to fewer and larger shipments, which can reduce the use of fuel and packaging material. Perhaps the most direct impact is driven by our FMI Technology solutions (see the following page), which provide controls and reporting tools to help customers reduce consumption and upstream transportation.

In 2023, we completed over 1,300 customer site evaluations, including formal TCOAs, to identify opportunities for efficiencies in our customers' supply chains and operations.



### Average TCO Savings Opportunity\*

This is the high-level finding of a study of 445 vetted TCO Analysis exercises. Below is a look at some of the drivers behind this headline number.



[Go to Lean Solutions](#)

[Go to TCOA Brochure](#)

\* These average savings were calculated in a recent study of 445 vetted TCO Analysis exercises which took place over the course of the 2023 calendar year. They are based on an assumption of the customers' full adoption of our suggested services and solutions. Vetted opportunities meet the following criteria: (1) the conductor of the TCO Analysis (a trained Fastenal Lean Six Sigma specialist) has confirmed the validity of the data entered; (2) 70% or more of the TCO Analysis data is customer-specific, not based on industry averages; and (3) the data was accepted/agreed upon by the customer during or after the TCO Analysis presentation.

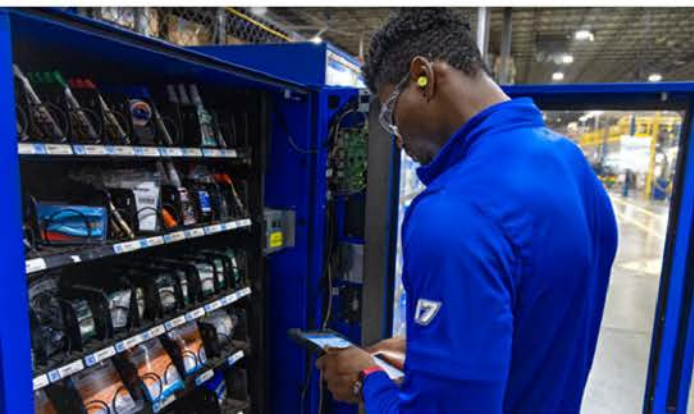


## FMI Technology

Industrial supplies are traditionally a “blind spot” for manufacturers and other businesses. Limited visibility to basic information – what product is stocked in the facilities, where it’s located, how it’s being used – leads to various forms of waste, from over-buying and obsolete inventory to stock outages and inefficient rush deliveries.

Through the development of our FMI (Fastenal Managed Inventory) Technology program over the past 15 years, Fastenal has emerged as the global leader in technologies that take industrial supplies out of the shadows and into a transparent, planned environment. This includes the mass deployment of devices that allow organizations to digitally monitor, track, and control wide-ranging products, typically driving a significant and sustained reduction in consumption.

The devices produce upstream benefits as well. With digital visibility to stocking levels and usage patterns within customer facilities, Fastenal teams are able to remotely monitor customers’ inventory, make proactive adjustments in the supply chain, and become much more efficient in our operations. At year-end 2023, we had more than 113,000 FMI Technology devices (machine equivalent units, or MEUs) in place at customer sites around the world – each a solution to drive waste, cost, and risk out of the supply chain.



## A Systematic Approach to Reducing Consumption



### Remote Inventory Monitoring

The devices are equipped with sensing technologies to digitally report the current inventory level in each stocking location. This eliminates the need for Fastenal employees to drive to customer sites in order to visually check their inventory status. Further upstream, it allows our distribution teams to be more proactive and efficient in how we stage and transport the product.



### Access Controls

Several of our devices allow organizations to set role-specific controls so their employees only have access to products relevant to their jobs (not to all products in the device). Managers can also set frequency limits so that, for example, an employee can only dispense a certain number of batteries per month without supervisor approval – another tool to reduce wasteful consumption.



### Inventory Visibility

Our FAST360° and Product Locator inventory search tools allow customers to see if needed items are available in their facilities and, in turn, avoid unnecessary purchases and transportation. Our eCommerce platform takes it a step further, proactively informing buyers if they're attempting to purchase items they already have on hand.



### Locker Pickup

The devices are primarily used for planned needs; however, FMI Technology lockers within customer sites can also serve as an efficient fulfillment solution for unplanned “spot buys.” The environmental benefit: Instead of employees driving to Fastenal or other businesses to pick up urgent needs, our local teams deliver those orders (via on-site lockers) during their regular service visits.



### 24/7 Access

The assurance of “perpetual inventory” removes the incentive for employees to hoard and over-order supplies. It may seem counterintuitive, but continuous access promotes less overall consumption.



### Usage Traceability

Each dispensed item can be traced to a person, place, time, and cost center. This reporting fosters a culture of accountability and illuminates opportunities to reduce future consumption (for example, by switching to a longer-lasting glove, or by providing additional training to an employee who is over-using a certain tool).



### Asset Management

Our automated lockers allow managers to track tools, scanners, and other returnable assets to the most recent user, helping to prevent material waste resulting from loss or theft. The devices can also be integrated with a Fastenal industrial services program to refurbish (rather than replace) tools.



[Go to FMI Technology](#)

## Case Study: Curtiss-Wright: Custom Solutions for Each “Customer” in the Building



Luckily, Fastenal, recognizing the state of emergency we were about to be in, rushed in all the vending machines ahead of schedule and sent extra people on site



It wasn't exactly a smooth takeoff for our Onsite program at Curtiss-Wright's aerospace technology plant in Shelby, North Carolina. When their previous supplier learned Fastenal had been awarded the business, they abruptly cleared out without sharing data and assisting with the transition. With that, our focus went from executing a seamless 90-day implementation to something much more urgent: do whatever it takes to keep Curtiss-Wright's production running.

“Luckily, Fastenal, recognizing the state of emergency we were about to be in, rushed in all the vending machines ahead of schedule and sent extra people on site,” said Brian Estep, Curtiss-Wright's divisional director of supply chain management. “They grabbed and started cycle counting on-hand inventory. They took what usage we had from different departments based on their memory, and simply through sheer willpower and hard work, they pulled us through that first 90 days.”

According to Estep, things took flight from there. “It started with the implementation team that came here,” he said. “Fastenal doesn't just want to know numbers; they actually met with every single department in this building and they wanted to know from each department, *What do you need out of us as a supplier?* So they customized and tailored every solution that went into this building to fit the need of that internal customer.”



The solutions range from cloud-connected lockers for tracking and managing expensive assets to specialized vending devices that illuminate how cutting tools are being used in different areas of the operation. “We can pull reports out of the machines that tell us not only who took it and when they took it, but what cell they used it in and what product line it was used on,” said Danny Cooper, the facility's senior director of operations. “This allows a manufacturing engineer to go in and see what is driving our tool cost and if there's an opportunity to drive that down.”

Another efficiency driver is our metalworking specialist support – providing testing for tool life and performance to identify the most cost-effective options for specific applications. On the other end of the product lifecycle, we've worked with key suppliers to implement recycling programs for used cutting tools and nitrile gloves. Previously, those materials ended up in landfills. Today, they're recycled, monetized, and reported on to help Curtiss-Wright achieve their sustainability goals.

What does it all mean for the customer? Danny Cooper put it this way: “The value of having a Fastenal team on site is priceless really. We just don't have the resources that it takes to manage something as big as MRO, and that's what Fastenal does – they're the experts at doing things that we're not capable of doing.”

[Watch the video](#)



Prevention

Consumption Reduction

Product Life Extension

Recycling & Recovery

Maximizing product life through maintenance, repairs, and remanufacturing

## Tool Repair Service

Fastenal's eight North American tool repair service centers provide authorized warranty repairs for 35 major tool brands and are able to work on more than 750 brands of tools in all. This resource, combined with our local service and transportation network, allows customers to meet their tool repair needs through a single efficient source, and to do so through a process that largely overlaps our existing service activities and truck routes.



Rather than having to transport products to multiple service providers, the customer places any broken tools in a (reusable) Fastenal tote or FMI Technology compartment. The customer's local Fastenal representative collects the tools during a regular service visit and ships them to our nearest service center via a regular Fastenal truck route. Our factory-trained technicians perform all repairs deemed cost-effective, and tools found to be past their economical repair lifespan are broken down to be reclaimed or recycled. Up to 95% of a tool's materials can be diverted from the waste stream, and we offer reporting for customers to document their contribution to waste diversion through the program.

In 2023, we repaired 56,609 tools for customers through this process, helping them extend product life and, in turn, reduce material waste.

[Go to Industrial Services](#)



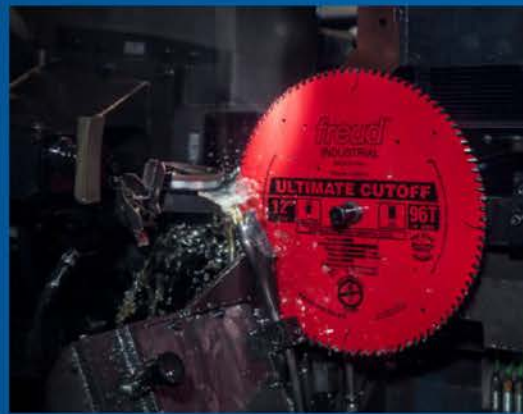
## Tool & Cutter Grinding Service

The goal of this service is to help manufacturers reduce waste by optimizing the performance and service life of their cutting tools. The process is similar to our tool repair program (see previous page), but in this case the customer's worn (cutting) tools are transported to a Fastenal manufacturing facility, where our machinists sharpen them to like-new condition. This service reduces the amount of waste generated and can be provided in conjunction with a recycling program, further contributing to the customer's sustainability goals.

Many cutting tools can be reconditioned multiple times, and we often work with customers to find creative solutions that meet their specific needs (for example, reducing a cutting tool down to the next useful size so they don't have to program a machine for cutter compensation). Supplying the products through an FMI Technology device can systematically drive the use of reconditioned tools before the use of new tools, promoting sustainable habits and maximizing tool life.

In 2023, we extended the service life of 321,252 cutting tools through the program. Our manufacturing team also makes and modifies custom tooling for customer-specific applications – another way we're helping manufacturers become more efficient in their operations.

[Go to Industrial Services](#)



Prevention

Consumption Reduction

Product Life Extension

Recycling & Recovery

Diverting waste from landfills to create usable products or energy

## Recycling & Recovery Programs

We've covered a range of solutions to help organizations prevent pollution, reduce consumption, and extend product life, but eventually all products flow to a waste stream. That's when our third-party recycling partnerships come into play. Today, we partner with key suppliers and recycling services to help customers integrate waste stream solutions into their work processes. This includes (but is not limited to) recycling programs for the following materials.

	Batteries		Janitorial / Sanitization Supplies
	Breakroom Supplies		Lighting
	Carbide Metalworking Products		Medical / Dental
	Cardboard		Office Supplies
	Electronics		Packaging & Shipping Materials
	Flashlights		Safety / PPE

[Go to Recycling Programs](#)



### PPE Recovery Program

In late 2023, we piloted a PPE recovery program in partnership with Wastebits as a complement to our PPE recycling programs. We help establish a simple workflow for customers to turn non-recyclable PPE waste into usable energy at an approved waste-to-energy facility. This process reduces the amount of material entering landfills and recovers energy to generate electricity or directly heat buildings. The EPA reports that for every ton of municipal solid waste processed at approved waste-to-energy facilities, emissions of greenhouse gases can be reduced by as much as one ton. We are planning to formally launch and market this program in 2024.

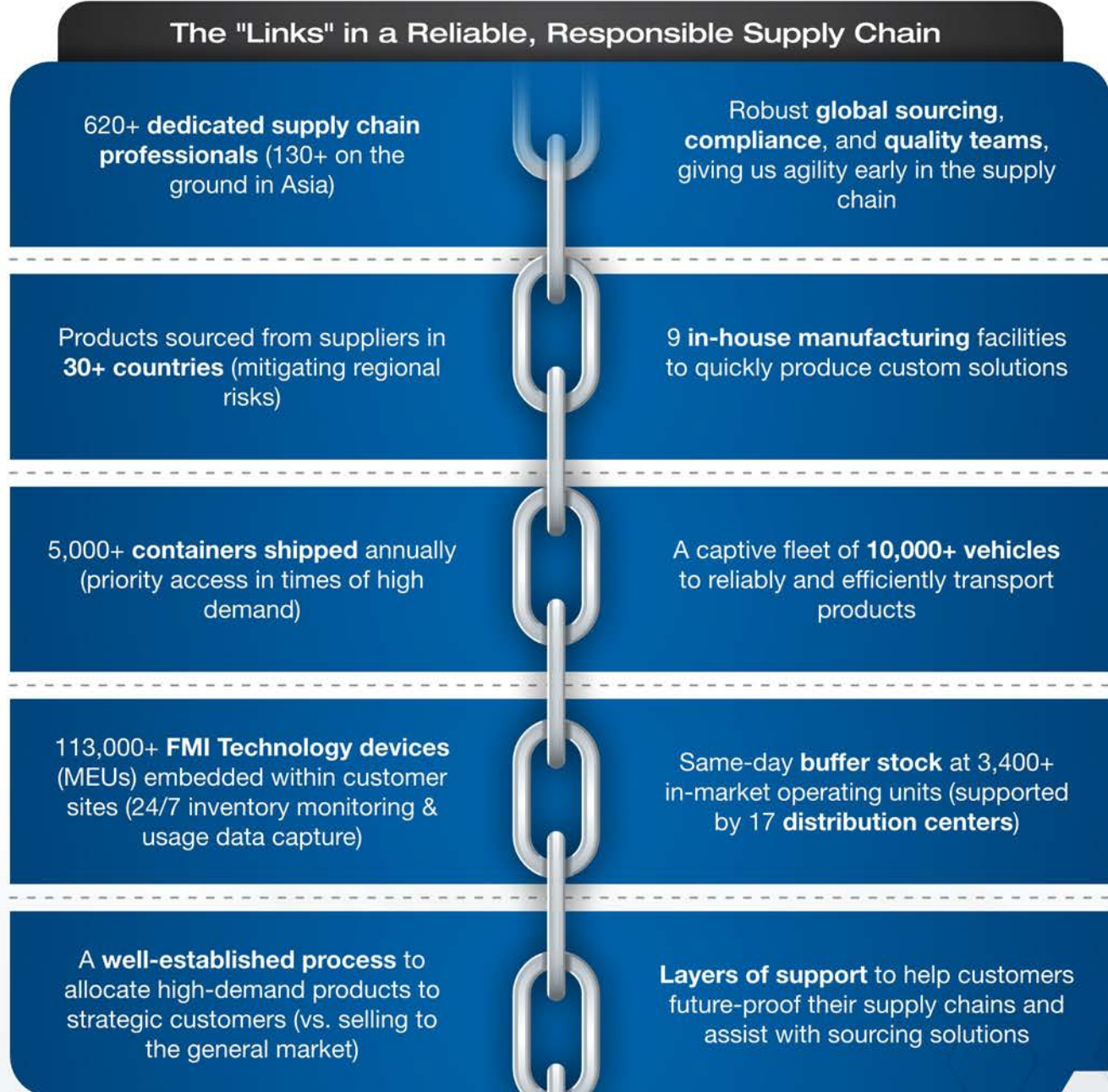
## A Final Word on Supply Chain Resiliency

Recent years have clarified an unfortunate truth: When a supply chain is broken, sustainability can quickly become an afterthought. The mindset shifts from strategic to transactional, planning gives way to panic buying, and long-term environmental concerns are overshadowed by immediate needs. In an increasingly volatile world, we believe there is no tension between business success and sustainability, and that both are predicated on supply chain resiliency.

With our strategic supply model, resiliency is a precondition for partnership. Before an organization can consolidate their supply needs with Fastenal and allow us to help them operate more efficiently, they need to trust that we'll maintain a reliable supply chain for mission-critical products. This is why our overriding priority, above all else, is to ensure continuity of supply for those customers who rely on Fastenal as a supply chain partner.

What does this commitment look like in practice? Here are some key structures and safeguards we invest in to help organizations weather global challenges and stay true to their ESG vision.

### The "Links" in a Reliable, Responsible Supply Chain





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# Appendix

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## Cautionary Note: Forward-Looking Statements/Disclaimers

Certain statements contained in this report of the organization, or in other written and oral statements made from time to time by the organization, do not relate strictly to historical or current facts. As such, they are considered 'forward-looking statements' that provide current expectations or forecasts of future events. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements can be identified by the use of terminology such as *anticipate, believe, should, estimate, expect, intend, may, will, plan, goal, project, hope, trend, target, opportunity*, and similar words or expressions, or by references to typical outcomes.

Any statement that is not a purely historical fact, including estimates, projections, trends, and the outcome of events that have not yet occurred, is a forward-looking statement. Our forward-looking statements generally relate to our expectations and beliefs regarding the business environment in which we operate, our projections of future performance and opportunities for growth based on potential market opportunities, our perceived marketplace opportunities, our strategies, goals, mission and vision, and our expectations related to future capital expenditures, future tax rates, future inventory levels, liquidity, liabilities from tax positions, the performance of our fastener business in comparison to our non-fastener business, openings and closing of in-market locations and signings of Onsite programs and new machine equivalent units for Fastenal Managed Inventory (FMI) (including bin stock and industrial vending) and the competitive advantages they offer, our digital solutions and other product offerings (including new product lines), national accounts as a percentage of overall sales, the advantages of our integrated physical and virtual model, growth in safety products as a percentage of product sales, the amount of FMI revenue that we may be able to service through local inventory fulfillment terminals, the ability of our competitors to replicate our distribution capabilities, and statements regarding our climate and other ESG-related goals, projects, plans, aspirations, commitments and strategies.

You should understand that forward-looking statements involve a variety of risks and uncertainties, known and unknown, and may be affected by inaccurate assumptions. Consequently, no forward-looking statement can be guaranteed and actual results may vary materially. Factors that could cause our actual results to differ from those discussed in the forward looking statements include, but are not limited to, economic downturns, weakness in the manufacturing or commercial construction industries, competitive pressure on selling prices, changes in trade policies or tariffs, changes in our current mix of products, customers, or geographic locations, changes in our average branch size, changes in our purchasing patterns, changes in customer needs, changes in fuel or commodity prices, product and transportation inflation, inclement weather, changes in foreign currency exchange rates, difficulty in adapting our business model to different foreign business environments, failure to accurately predict the market potential of our business strategies, the introduction or expansion of new business strategies, increased competition (including with respect to our FMI or Onsite operations), our ability to attract and retain employees and increase our employee diversity demographics, weak acceptance or adoption of our FMI offering or Onsite business models, difficulty in maintaining installation quality as our industrial vending business expands, the leasing to customers of a significant number of additional FMI devices, the failure to meet our goals and expectations regarding branch openings, branch closings, or expansions of our FMI offering or Onsite operations or any changes in branch locations, changes in the implementation objectives of our business strategies, our ability to establish science-based targets and to achieve our goals to reduce emissions and energy consumption, difficulty in hiring, relocating, training, or retaining qualified personnel, difficulty in controlling operating expenses, difficulty in collecting receivables or accurately predicting future inventory needs, dramatic changes in sales trends, changes in supplier production lead times, changes in our cash position or our need to make capital expenditures, credit market volatility and increases in interest rates, changes in tax law or the impact of any such changes on future tax rates, changes in tariffs or the impact of any such changes on our financial results, changes in regulatory requirements, changes in the availability or price of commercial real estate, changes in the nature, price, or availability of distribution, supply chain, or other technology (including software licensed from third parties) and services related to that technology, difficulty in obtaining business from new safety product customers and acceptance by customers of any new product lines, cybersecurity incidents, potential liability and reputational damage that can arise if our products are defective, difficulties measure the contribution of price increases on sales growth, acts of war, and other risks and uncertainties detailed in our filings with the Securities and Exchange Commission, including our most recent annual and quarterly reports. Each forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any such statement to reflect events or circumstances arising after such date.

Our ESG reporting may also use certain terms, including those that the GRI Guidelines, SASB or other reporting formats refer to as "material" topics, to reflect the issues of greatest importance to us and our stakeholders. Used in this context, these terms are distinct from, and should not be confused with, the terms "material" and "materiality" as defined by or construed in accordance with securities laws or as used in the context of financial statements and reporting.

## About This Report

Fastenal's annual environmental, social, and governance (ESG) report provides an overview of our organization's ESG initiatives in line with the criteria required by several leading ESG reporting frameworks. These standards inform our disclosures and reflect our commitment to giving investors and other stakeholders an account of our approach, performance, and progress. The responses in the following indexes include links to further information where relevant.

### Scope

This report, Fastenal's 2024 ESG Report, was published in March 2024 and reflects activities and initiatives in our fiscal year (FY) 2023 (January 1st, 2023 – December 31st, 2023). It also covers references to trends over several years or references to subsequent events. In those cases, we have noted them as such. All data, unless otherwise stated, reflects fiscal year 2023. Unless noted, goals and other data in the report reflect our global operations. Throughout this report, the terms "Fastenal", "we" and "our", refer to Fastenal Company, a Minnesota corporation.

### Disclosure & Assurance

This report has been written for a broad range of stakeholders, including but not limited to our employees, customers, suppliers, investors, and nonprofits.

Fastenal's management is responsible for the preparation and integrity of the information in this report. The enterprise metrics and goals in this report are established through a rigorous review process involving internal subject matter experts, and we believe this report accurately and fairly represents our ESG activities, programs, and results for the fiscal year ending December 31, 2023. However, we also note that standards and processes for measuring certain data presented in this report are still evolving. As our systems and sources of information evolve and improve, we may retroactively restate certain data in future reports.

To improve ease of use and comparability, we index our reporting against frameworks from the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), and United Nations Sustainable Development Goals (UN SDGs).

Throughout the report, policies that do not have links are references to Fastenal's internal policies that are not publicly available. This report has not been externally assured or verified by an independent third party.

### Contact Us

Your feedback is important to us as we continue to look for ways to improve our reporting and provide our readership with the information they need. Please submit feedback to [esg@fastenal.com](mailto:esg@fastenal.com) or by mail:

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Attn: Director of Internal Audit  
2001 Theurer Blvd.  
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Phone: (507) 454-5374

## GRI Index

Fastenal has reported the information cited in this GRI content index for the period January 1, 2023 through December 31, 2023 with reference to GRI Standards. The report has been prepared with references to GRI 1: Foundation 2021.

Disclosure Number	GRI Standard	Disclosure Title	Fastenal Response
<b>General Disclosures 2021</b>			
Organizational Profile			
2-1	General Disclosures	Organizational details	<a href="#">10-K Item 1: Business</a> <a href="#">10-K Item 2: Properties</a>
2-2	General Disclosures	Entities included in the organization's sustainability reporting	<a href="#">10-K Item 15: Exhibits and Financial Statement Schedules</a>
2-3	General Disclosures	Reporting period, frequency, and contact point	<a href="#">About This Report</a>
2-4	General Disclosures	Restatements of information	See <a href="#">page 31</a> of this report related to restatements of 2022 emissions data
2-6	General Disclosures	Activities, value chain, and other business relationships	<a href="#">10-K Item 1: Business</a> <a href="#">10-K Item 2: Properties</a> <a href="#">Supplier Diversity Program</a> <a href="#">Supplier Code of Conduct</a>
2-7	General Disclosures	Employees	<a href="#">10-K Item 1: Business</a> <a href="#">10-K Item 2: Properties</a> <a href="#">Empowering People</a>
2-9	General Disclosures	Governance structure and composition	<a href="#">Governance</a> <a href="#">10K Item 10: Directors, Executive Officers, and Corporate Governance Guidelines</a> <a href="#">Nominating and Corporate Governance Committee Charter</a> <a href="#">Compensation Committee Charter</a> <a href="#">Audit Committee Charter</a> <a href="#">Proxy: Corporate Governance and Director Compensation</a>
2-10	General Disclosures	Nomination and selection of the highest governance body	<a href="#">Proxy: Board Leadership Structure and Committee Membership</a> <a href="#">Corporate Governance Guidelines</a>
2-11	General Disclosures	Chair of the highest governance body	<a href="#">10K Item 10: Directors, Executive Officers, and Corporate Governance</a>
2-12	General Disclosures	Role of the highest governance body in overseeing the management of impacts	<a href="#">Proxy: Other Board and Corporate Governance Matters</a> <a href="#">Governance</a> <a href="#">10K Item 1a: Risk Factors</a>
2-13	General Disclosures	Delegation of responsibility for managing impacts	<a href="#">Proxy: Board Leadership Structure and Committee Membership</a> <a href="#">Corporate Governance Guidelines</a>
2-14	General Disclosures	Role of the highest governance body in sustainability reporting	<a href="#">Corporate Governance Guidelines</a> <a href="#">About This Report</a>



2-15	General Disclosures	Conflicts of interest	<a href="#">Proxy: Audit Committee and Related Person Transaction Approval Policy</a> <a href="#">Corporate Governance Guidelines</a>
2-16	General Disclosures	Communication of critical concerns	<a href="#">Corporate Governance Guidelines</a> <a href="#">About This Report</a>
2-17	General Disclosures	Collective knowledge of the highest governance body	<a href="#">10K Item 10: Directors, Executive Officers, and Corporate Governance</a> <a href="#">Corporate Governance Guidelines</a>
2-18	General Disclosures	Evaluation of the performance of the highest governance body	<a href="#">Compensation Committee Charter</a>
2-22	General Disclosures	Statement on sustainable development strategy	<a href="#">A Letter From Our President and CEO</a>
2-23	General Disclosures	Policy commitments	<a href="#">Empowering People Governance</a> <a href="#">10K Item 1: Business Supplier Code of Conduct</a>
2-26	General Disclosures	Mechanisms for seeking advice and raising concerns	<a href="#">Proxy: Other Board and Corporate Governance Matters</a>
2-29	General Disclosures	Approach to stakeholder engagement	<a href="#">About This Report</a>
<b>Material Topics 2021</b>			
3-2	Material Topics	List of material topics	<a href="#">Table of Contents</a>
<b>Economic Performance 2016</b>			
201-1	Economic Performance	Direct economic value generated and distributed	<a href="#">10K Item 1: Business</a>
<b>Energy 2016</b>			
302-1	Energy	Energy consumption within the organization	<a href="#">Preserving Our World</a>
302-2	Energy	Energy consumption outside the organization	<a href="#">Preserving Our World</a>
302-3	Energy	Energy intensity	<a href="#">Preserving Our World</a>
302-4	Energy	Reduction of energy consumption	<a href="#">Preserving Our World</a>
302-5	Energy	Reductions in energy requirements of products and services	<a href="#">Preserving Our World</a>
<b>Emissions 2016</b>			
305-1	Emissions	Direct (scope 1) GHG emissions	<a href="#">GHG Management</a>
305-2	Emissions	Energy indirect (scope 2) GHG emissions	<a href="#">GHG Management</a>
305-4	Emissions	GHG emissions intensity	<a href="#">GHG Management</a>
305-5	Emissions	Reduction of GHG emissions	<a href="#">GHG Management</a>

**Waste 2020**

306-1	Waste	Waste generation and significant waste-related impacts	<a href="#">2024 EHS Report</a>
306-2	Waste	Management of significant waste-related impacts	<a href="#">2024 EHS Report</a>
306-3	Waste	Waste generated	<a href="#">2024 EHS Report</a>
306-4	Waste	Waste diverted from disposal	<a href="#">2024 EHS Report</a>
306-5	Waste	Waste directed to disposal	<a href="#">2024 EHS Report</a>

**Supplier Environmental Assessment 2016**

308-1	Supplier Environmental Assessment	New suppliers that were screened using environmental criteria	<a href="#">Supplier Code of Conduct</a>
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**Occupational Health and Safety 2018**

403-1	Occupational Health and Safety	Occupational health and safety management system	<a href="#">ISO 45001 Certificate</a>
403-2	Occupational Health and Safety	Hazard identification, risk assessment, and incident investigation	<a href="#">Empowering People: Workplace Health and Safety</a>
403-3	Occupational Health and Safety	Occupational health services	<a href="#">Empowering People: Workplace Health and Safety</a>
403-4	Occupational Health and Safety	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Empowering People: Workplace Health and Safety</a>
403-5	Occupational Health and Safety	Worker training on occupational health and safety	<a href="#">Empowering People: Workplace Health and Safety</a>
403-6	Occupational Health and Safety	Promotion of worker health	<a href="#">Empowering People: Workplace Health and Safety</a>
403-7	Occupational Health and Safety	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Empowering People: Workplace Health and Safety</a>
403-8	Occupational Health and Safety	Workers covered by an occupational health and safety management system	<a href="#">Empowering People: Workplace Health and Safety</a>
403-9	Occupational Health and Safety	Work-related injuries	<a href="#">Empowering People: Workplace Health and Safety</a>
403-10	Occupational Health and Safety	Work-related ill health	<a href="#">Empowering People: Workplace Health and Safety</a>

**Training and Education 2016**

404-1	Training and Education	Average hours of training per year per employee	<a href="#">Empowering People: Training and Development</a>
404-2	Training and Education	Programs for upgrading employee skills and transition assistance programs	<a href="#">Empowering People: Training and Development</a>
404-3	Training and Education	Percentage of employees receiving regular performance and career development reviews	<a href="#">Empowering People: Training and Development</a>

**Diversity and Equal Opportunity 2016**

405-1	Diversity and Equal Opportunity	Diversity of governance bodies and employees	<a href="#">Empowering People: Diversity Data and Reporting</a>
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### Child Labor 2016

408-1	Child Labor	Operations and suppliers at significant risk for incidents of child labor	<a href="#">Supplier Code of Conduct</a>
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### Forced or Compulsory Labor 2016

409-1	Forced or Compulsory Labor	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">Supplier Code of Conduct</a>
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### Local Communities 2016

413-1	Local Communities	Operations with local community engagement, impact assessments, and development programs	<a href="#">Empowering People: Community Engagement</a>
413-2	Local Communities	Operations with significant actual and potential negative impacts on local communities	<a href="#">Empowering People: Community Engagement</a>

## SASB Index

The Sustainability Accounting Standards Board (SASB, now part of the IFRS Foundation) has developed standards for businesses to identify, manage, and report on sustainability topics to meet investor needs. This table references the Consumer Goods sector Multiline and Specialty Retailers & Distributors industry standards, with links to where the relevant information can be found in our ESG report or in other public documents.

Topic	SASB Accounting Metric	Category	Code	Fastenal 2023 Disclosure
SASB Multiline and Specialty Retailers & Distributors Standard				
Energy Management in Retail & Distribution	Total energy consumed	Quantitative	CG-MR-130a.1	2,264,342.62 GJ
	Percentage grid electricity	Quantitative	CG-MR-130a.1	15.8%
Data Security	Description of approach to identifying and addressing data security risks	Discussion and analysis	CG-MR-230a.1	<a href="#">Governance: Cybersecurity &amp; Data Privacy</a>
	Number of data breaches	Quantitative	CG-MR-230a.2	Fastenal has had no reported data breaches identified during the reporting period
	Percentage involving personally identifiable info	Quantitative	CG-MR-230a.2	Fastenal has had no reported data breaches identified during the reporting period
	Number of customers affected	Quantitative	CG-MR-230a.2	Fastenal has had no reported data breaches identified during the reporting period
Product Sourcing, Packaging, and Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	CG-MR-410a.1	\$87,709,397.01
	Discussion of strategies to reduce the environmental impact of packaging	Discussion and analysis	CG-MR-410a.3	<a href="#">Preserving Our World: Reducing, Reusing and Recycling</a>
Activity Metrics	Number of retail locations and distribution centers	Quantitative	CG-MR-000.A	1,597 traditional branches, 1,822 Onsite operations, 17 distribution centers <a href="#">Preserving Our World: Facilities and Operations</a>
	Total area of retail locations and distribution centers	Quantitative	CG-MR-000.B	Approximately 5 million square feet of distribution capacity.

## TCFD Index



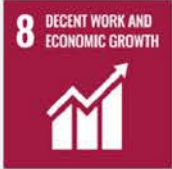
The Task Force on Climate-related Financial Disclosures (TCFD), which disbanded in November 2023 (with monitoring being taken over by the IFRS Foundation), has developed voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to stakeholders. A summary of our response to the TCFD-recommended disclosures is below, with references to where this information can be found in either this report or in other public documents.




Disclosure	Answer	Reference
<b>Governance</b>	Fastenal's board of directors is composed of a diverse group of individuals with varying backgrounds and experiences. This group is responsible for the oversight of enterprise risk, including ESG matters, and receives leadership and guidance on these topics from the committees of the board. Eight of our 11 directors are independent, including the chair of the board, which helps to broaden our perspective and deepen our understanding of ESG issues. Among the board's priorities are corporate responsibility, human capital management, and sustainability. The topic of ESG, including climate-related issues, is on the meeting agenda a minimum of twice per year. The Nominating and Corporate Governance Committee Chair serves as a liaison to the ESG team and is responsible for overseeing the Company's ESG initiatives, including any ESG policies, practices and disclosures. Management involved in climate-related risks and opportunities includes the Chief Financial Officer, Internal Audit Director, Corporate EHS and Sustainability Director, Director of Supply Chain Compliance, and Vice President for Contract Development and Support.	<a href="#">Governance: Board of Directors 2024 Proxy pg 5-12</a>
<b>Strategy</b>	Risks and opportunities are detailed in the 2023 CDP Report and 2023 Annual Report. Examples of risks include current regulation, emerging regulation, technology, and physical risks such as weather events. Opportunities include products and services through continued development and expansion of green and sustainable products. We consider our self-owned logistics, diverse supply base, and decentralized business model to be risk management tools, as they increase our resilience to climate-related disruptions and empower leaders to act independently.	<a href="#">2023 CDP Section C2 Preserving Our World: Our Strategic Focus</a>
<b>Risk Management</b>	Fastenal's Enterprise Risk Management (ERM) function leverages our Company's ERM framework, policies, and definitions to measure and monitor risks entity-wide. We have aligned to the Committee of Sponsoring Organizations (COSO) ERM Framework - Integrating with Strategy and Performance. We have defined both quantitative and qualitative factors and descriptions to be used when assessing risks. We consider both inherent and residual risk during the assessment process along with speed of onset, likelihood, and impact. During this process, we define substantive financial or strategically impactful risks as risks which have an inherent quantitative (financial) risk factor of 3 or higher on a 4 point scale or a quantitative and qualitative blended inherent risk of 2 or higher on a 4 point scale. During our risk assessment process, we consider financial impact, shareholder value, reputational risk, legal/regulatory risk, customer impact, employee risk, and operational risks. We then apply additional factors to quantify our residual risk rating. These additional factors include complexity, controls, speed or response, technology/systems/data, third-party risks, and assurance.	<a href="#">2023 CDP Section C1, C2 10K Item 1A: Risk Factors</a>
<b>Metrics &amp; Targets</b>	Fastenal currently measures a scope 2 intensity reduction target. We are working toward 45% intensity reduction in key facilities by 2030 with a base year of 2021. Progress on this target will be reported in the annual CDP report. Our intensity reduction target is not an absolute target. As we develop our carbon transition plan that aligns with a 1.5 degree Celsius world, we are exploring how to develop a carbon transition plan including a variety of goals, and objectives including working towards the goal of Net Zero by 2050. In the second half of 2023, we conducted a scope 3 materiality assessment with a leading third-party consultant to gain insight into our scope 3 emissions created in our value chain as part of this carbon transition plan.  GHG Intensity: 0.00002313 metric tons of CO2e per \$ of revenue Scope 1 Emissions: 130,852 tCO2e Scope 2 (Market Based) Emissions: 39,077 tCO2e (Market Based)	<a href="#">2023 CDP Section C4, C6 Preserving Our World: GHG Management</a>




## SDG Index

We recognize the importance of the United Nations 2030 Agenda for Sustainable Development. The UN Sustainable Development Goals (SDGs) call on governments, businesses, and civil society organizations to address the most urgent problems facing our world today. The goals urge all sectors of society to drive greater participation and leadership, and to invest more resources into solutions that reduce inequality and tackle the escalating climate emergency.

Fastenal supports the 17 United Nations SDGs; however, we believe we contribute the greatest impact in support of the nine SDGs listed below.

UN SDG	SDG Target	Fastenal Indicators
 <p><b>3 GOOD HEALTH AND WELL-BEING</b></p> <p><b>Good Health and Well-Being</b> Ensure healthy lives and promote well-being for all at all ages</p>	<p><b>Target 3.6:</b> By 2030, halve the number of global deaths and injuries from road traffic accidents</p> <p><b>Target 3.9:</b> By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p>	<p><a href="#">Governance: Responsible Sourcing</a>  <a href="#">Preserving Our World: Transportation</a>  <a href="#">Preserving Our World: Reducing, Reusing, and Recycling</a></p>
 <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p> <p><b>Affordable and Clean Energy</b> Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p><b>Target 7.2:</b> By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p><b>Target 7.3:</b> By 2030, double the global rate of improvement in energy efficiency</p>	<p><a href="#">Preserving Our World: Transportation</a>  <a href="#">Preserving Our World: Facilities and Operations</a></p>
 <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p> <p><b>Decent Work and Economic Growth</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p><b>Target 8.4:</b> Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead</p> <p><b>Target 8.7:</b> Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms</p> <p><b>Target 8.8:</b> Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	<p><a href="#">Supplier Code of Conduct</a>  <a href="#">Empowering Our People: Human Rights and DEI</a>  <a href="#">Preserving Our World: Our Strategic Focus</a></p>

UN SDG	SDG Target	Fastenal Indicators
 <p><b>Industry, Innovation, and Infrastructure</b> Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<p><b>Target 9.1:</b> Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</p> <p><b>Target 9.2:</b> Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries</p> <p><b>Target 9.4:</b> By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p> <p><b>Target 9.5:</b> Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending</p>	<p><a href="#">Serving as a Trusted Partner: Our Sustainability Solutions</a> <a href="#">Preserving Our World: Our Strategic Focus</a> <a href="#">Preserving Our World: Facilities and Operations</a></p>
 <p><b>Reduced Inequalities</b> Reduce inequality within and among countries</p>	<p><b>Target 10.2:</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p> <p><b>Target 10.3:</b> Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard</p>	<p><a href="#">Empowering People: Workplace Health &amp; Safety</a></p>
 <p><b>Sustainable Cities and Communities</b> Make cities and human settlements inclusive, safe, resilient, and sustainable</p>	<p><b>Target 11.3:</b> By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries</p> <p><b>Target 11.6:</b> By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p>	<p><a href="#">Preserving Our World: Our Strategic Focus</a> <a href="#">Preserving Our World: Facilities and Operations</a></p>

UN SDG	SDG Target	Fastenal Indicators
 <p><b>Responsible Consumption and Production</b> Ensure sustainable consumption and production patterns</p>	<p><b>Target 12.5:</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p> <p><b>Target 12.6:</b> Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>	<p><a href="#">Preserving Our World: Reducing, Reusing, &amp; Recycling</a>  <a href="#">Serving as a Trusted Partner: Our Sustainability Solutions</a>  <a href="#">Serving as a Trusted Partner: Green Products Program</a></p>
 <p><b>Climate Action</b> Take urgent action to combat climate change and its impacts</p>	<p><b>Target 13.1:</b> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<p><a href="#">Empowering People: Community Engagement</a></p>
 <p><b>Peace, Justice and Strong Institutions</b> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p><b>Target 16.2:</b> End abuse, exploitation, trafficking and all forms of violence against and torture of children</p> <p><b>Target 16.3:</b> Promote the rule of law at the national and international levels and ensure equal access to justice for all</p> <p><b>Target 16.5:</b> Substantially reduce corruption and bribery in all their forms</p>	<p><a href="#">Governance: Responsible Sourcing</a>  <a href="#">Empowering People: Human Rights and DEI</a>  <a href="#">Supplier Code of Conduct</a></p>



# **FASTENAL<sup>®</sup>**

**WHERE INDUSTRY MEETS INNOVATION<sup>™</sup>**



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## ATTACHMENT 02 CATEGORIES OF PRODUCTS and EPP

### I. GEOGRAPHIC AVAILABILITY

Identify the geographic area(s) in which your products will be available to Participating Entities and Purchasing Entities by checking one of the following:

- Nationwide (including the District of Columbia and U.S. territories)
- Nationwide (including the District of Columbia)
- The following specific states (to include the entire state): \_\_\_\_\_

### II. EXCLUSIONS

The Master Agreements resulting from this solicitation are not intended to replace or materially overlap in scope with other NASPO ValuePoint contract portfolios, including the following:

- [Automatic External Defibrillator \(AED\) and Accessories](#)
- [Ground Maintenance Equipment](#)
- [Automotive Parts](#)
- [Professional Grade Tools and Diagnostic Equipment Master Agreements.](#)
- [Office Furniture](#)
- [Office Supplies](#)
- [Audio Video Equipment and Supplies](#)
- [Computer Equipment, Peripherals & Related Services](#)
- [Copiers & Managed Print Services](#)
- [Laboratory Equipment and Supplies](#)

Offerors may include equipment, accessories, and services available under these portfolios only to the extent that such solutions are complementary to the equipment, products, or services being proposed by Offeror. The Lead State may, at its sole discretion, reject products and services from an Offeror's proposal, or remove products and services from a Contractor's Master Agreement, if the Lead State determines that such products and services exceed the intended scope of this solicitation or do not comply with this requirement.

Other Exclusions:

- Electric vehicle charging station and/or installation
- Public safety electronic equipment or any first responder electronic equipment
- Drones, drones' maintenance, and parts
- Software or SaaS solutions

### III. CATEGORIES



Identify the category(ies) for which you are submitting a proposal response by checking one or more of the following (the products listed for each category below are only examples and are not intended to be exhaustive):

- Category 1: Janitorial Supplies, Equipment, and Sanitation Cleaning Chemicals** includes but not limited to cleaning chemicals, hand soaps, paper products, trash can liners, adhesives.
- Category 2: Fasteners** includes but is not limited to thread fasteners, anchors, bolts, cables, clips, hose couplings, inserts, lock nuts, pins, plates, rivets, screws, studs, and washers.
- Category 3: Material Handling** includes but is not limited to hand trucks, ladders, welding supplies, shop supplies, containers, cabinets, chains, wire rope, pails/drums. Motor rider forklifts, reach trucks, order pickers, pallets jacks, stackers, and tow tractors.
- Category 4: Plumbing Equipment** includes but is not limited to facets, fittings, pipes, water filters, drains, pumps, and plumbing tools.
- Category 5: Power Sources** includes but is not limited to electric power grid, such as an electrical outlet, energy storage devices such as batteries or fuel cells, generators or alternators, solar power converters, or another power supply, other batteries, electric vehicle charging stations and parts, solar energy, and AC and DC power supply.
- Category 6: Landscaping and Outdoor Supplies and Equipment** includes but is not limited to seasonal lawn and grounds maintenance supplies.
- Category 7: Lamps, Lighting, Ballasts, and Equipment** includes but is not limited to lamps, ballasts, fixtures, bulbs, diodes, and tubes.
- Category 8: Heating, Ventilation, Air Conditioning (HVAC)** includes but is not limited to air filters, blowers, diffusers, fans, coolant, small heaters, air conditioning units (window and portable), foam coil cleaners, filters, and valves.
- Category 9: Hand Tools** includes but is not limited to hammers, pliers, rakes, screw drivers, shoves, hand saws, and measuring tools.
- Category 10: Power Tools** includes drills, saws, table saw, air compressor, band saw, sander.
- Category 11: Electrical Supplies and Equipment** includes but is not limited to circuit breakers, conduits, electrical boxes, fuses, switches, outlets, cords, and plugs.
- Category 12: Paint and Related Supplies** includes but is not limited to paint interior and exterior, primers, coatings, brushes, paint pans, fire retardant sealants, and stirrers.
- Category 13: Security** includes but is not limited to cameras, strobes, safes, locks.



- Category 14: Safety** includes personal protective equipment and related building safety equipment, eye protection, protective clothing, barricades, fire escape ladders, master lock, hearing protection and head and face protection, hand sanitizer, gloves, and sorbents.
- Category 15: Other** Contractor is allowed to sell other items related to MRO but not specifically listed above. Products that are included in the Exclusion Section II, may not be sold.

Offeror is limited to selling products and services in the category(ies) awarded to Offeror.

#### IV. ENVIRONMENTALLY PREFERABLE PRODUCTS

Many of the Participating States have indicated that sourcing Environmentally Preferable Products (EPP) is important and may become more important in the future with legislative mandates to comply with for sustainable and climate preferable products being used in their state.

Indicate below if the Offeror can offer EPPs (see Specifications for EPP Products in Each Category listed below). If the Offeror is not able to meet the Environmental Specifications listed below, indicate no. If yes, Offeror must fill out the rest of this attachment in full which will be included in the Master Agreement if awarded.

**No, the Offeror will not be able to sell Environmentally Preferable Products, no need to proceed with this Attachment (this attachment must be submitted with the NO checked)**

**Yes, Offeror would like to sell Environmentally Preferable Products and has filled out all sections below:**

1. Does the Offeror have any sustainability policies or programs (e.g., adoption of a sustainability policy, climate action plan, using clean fuel vehicles or sustainable packaging to deliver products, powering your facilities with renewable energy, etc.)? If yes, describe and attach supporting documentation. If no, describe any plans the Offeror may have to do this in the future.

#### **Our ESG Vision**

As a catalyst for innovation and positive change, we strive to provide exceptional value to our customers by empowering people, preserving our world, and serving as a trusted supply chain partner.



	Strategic Objectives	Relevant Topics
 <b>Empowering People</b>	<p>We foster a safe and welcoming workplace for all, prioritize employee development, and empower our "Blue Team" to achieve positive outcomes for themselves, our customers, and the community.</p>	<ul style="list-style-type: none"> <li>Employee safety/wellbeing</li> <li>Diversity, equity, and inclusion</li> </ul>
 <b>Preserving Our World</b>	<p>We work to reduce consumption and environmental impacts throughout our operations and provide solutions to help our customers do the same.</p>	<ul style="list-style-type: none"> <li>Energy efficiency</li> <li>GHG emissions</li> <li>Sustainable products/materials</li> <li>Waste management</li> </ul>
 <b>Serving as a Trusted Partner</b>	<p>As a vital part of our customers' operations, we are committed to providing a supply chain that is efficient, resilient, and responsible.</p>	<ul style="list-style-type: none"> <li>Business ethics</li> <li>Product quality and safety</li> <li>Supply chain resilience</li> <li>Responsible supply chain</li> </ul>

In keeping with our pillar of 'Preserving Our World,' Fastenal's value proposition centers on helping organizations become more resource-efficient across the supply chain. It starts by driving efficiencies within the span we directly control – the vehicles, large facilities, and in-market locations we operate to serve customers across the country and around the world. The following section provides statements pertaining to our scope 1 emissions related to fuel combustion in our furnaces, boilers, and vehicles; scope 2 purchased electricity emissions; and waste diversion related to our own key facilities.

### Our Strategic Focus

In 2022, we announced our intention to work toward a plan to reach net zero emissions by 2050, including an expectation to establish science-based targets in the coming years. As we progress in our journey, we continue to expand the information we gather and report to CDP (formally known as the Carbon Disclosure Project) in accordance with the Greenhouse Gas (GHG) Protocol. We have broadened our reporting to cover the entirety of our scope 1 and 2 emissions from all global business operations, and we recently completed a scope 3 materiality assessment, an important step to further broaden our carbon inventory and establish baselines for science-based targets.

### Key Systems & Programs:

- We have received third-party certification to the ISO 14001 environmental management standard. ISO 14001 provides a framework for us to design and implement an effective environmental management system.
- We are an ENERGY STAR Partner, demonstrating a commitment to measure, track, and improve our energy performance. We use the ENERGY STAR Portfolio Manager to benchmark our energy use in individual buildings.



- We are proud to be a certified EPA SmartWay Partner. This program provides us with tools and best practices to measure, benchmark, and improve our freight transportation efficiency.

### 2023 Highlights



We received a **silver medal from EcoVadis**, signifying that the quality of our sustainability management system ranked in the top 25% of all companies in all industries rated by EcoVadis. We earned our first EcoVadis medal, a bronze, in December 2022. Prior to that, our sustainability programs and reporting did not merit a medal designation. This rapid improvement (from receiving no medal recognition to earning a silver medal within a two-year period) reflects a heightened and long-term commitment to invest in and continuously improve our core processes, systems, and reporting around sustainability.

We were selected by Newsweek as one of **America's Greenest Companies** (something only 300 companies in the United States can claim). The rankings reflect an analysis of organizations in the U.S. that have a minimum market capitalization of \$5 billion and adhere to the European Union sustainably standard guidelines. Evaluations are based on the companies' greenhouse gas emissions, water usage, water generation, waste generation, and sustainability data disclosure and commitments.

The Business Intelligence Group credited Fastenal for the **Sustainability Initiative of the Year** within our industry – for our program with Trex Company, Inc. to create a circular economy for plastic waste. In addition, one of our corporate sustainability managers was asked to join the Business Intelligence Group's judges panel to help advise the business community on tactics for sustainable operations.

### Transportation – Driving Toward a Greener Future

A key (and differentiating) feature of Fastenal's service model is our in-house transportation network, which allows us to control the movement of materials across much of the supply chain. Our North American fleet includes more than 800 commercial motor vehicles (CMVs) as well as nearly 8,300 RAM pickup trucks used by our local teams to provide final-mile delivery service.

On a technical level, operating such a large fleet makes our scope 1 reporting higher than it would be if we relied more heavily on third-party carriers, as is standard in our industry. (Outsourcing transportation means a larger share of emissions falling under scope 3 vs. scope 1.) However, in the bigger picture, it challenges us to be a leader in transportation efficiency. We embrace this stewardship by investing in the latest vehicle technology and by working to optimize routes, loads, and efficiency at every mile – from supplier pick-ups, to



transfers for secondary operations, to final-mile delivery, all streamlined by a deep and direct understanding of our customers' needs.

#### *Extending the "Last Mile" to the "Last Yard"*

In addition to picking up shipments from suppliers and transferring products across our distribution center network, our CMV fleet transports approximately 90% of the product tonnage moved from our regional distribution centers to our in-market operating units (a core aspect of our local service model).



Roughly two-thirds of our North American branches receive their product deliveries via our CMV fleet during the night (low-traffic hours associated with better overall fuel efficiency).

The RAM pickup fleet is used by our local branch personnel to execute final-mile delivery to the customer, and in many cases the destination is a point-of-use device within their facilities – a unique capability made possible by our investment in final-mile transportation and high-touch service

#### *Fuel Efficiency Strategies*

Because we sell and replace a large portion of our fleet annually, we are regularly reviewing the latest fuel efficiency and safety options. In 2023, we replaced roughly 1,820 vehicles to capture the newest technology. This included ordering 713 vehicles equipped with embedded telematics, which will provide local managers with visibility to the vehicles' fuel consumption and related data such as idling time, speed, and acceleration – a valuable tool to improve the efficiency of the units.

Since mid-2019, Fastenal has participated in the United States Environmental Protection Agency's SmartWay program, which helps partnering carriers learn best practices, demonstrate their efficiency achievements, and pursue continuous improvement. We're working to positively impact fuel efficiency in a variety of ways:

- Using geographic information systems (GIS) to map the most efficient truck routes
- Analyzing departure and arrival schedules to minimize delays caused by traffic in metro areas
- Optimizing load configuration to minimize non-utilized capacity
- Back-hauling freight from suppliers and also customers (through our third-party logistics service) to minimize one-way or "deadhead" loads
- Using telematics to monitor driving activities and identify opportunities to improve fuel efficiency



### *Testing & Implementing New Technologies*

Our drive for efficiency includes an ongoing commitment to test and, when feasible, adopt alternative fuel vehicles. In 2020 and 2021, through a fleet-electrification collaboration program with Penske Leasing and Daimler Trucks North America, we conducted a short-term pilot of a fully-electric Freightliner eCascadia semi-truck in the Los Angeles metro area. After running the truck on a regular route for one month, we provided real-world feedback to guide future improvements to the technology.

As part of the program, we also conducted a longer-term pilot with two fully-electric Freightliner eM2 straight trucks, which we ran on daily routes within the Los Angeles metro area in 2020 and 2021. It proved to be a good fit for certain use cases, and in late 2023 we signed a lease agreement for two of these vehicles, which we plan to start running in the Modesto, California area in fall 2024.

In fall 2021, we conducted a test of a demo Orange EV fully-electric yard tractor at our Indianapolis, Indiana distribution center. (Yard tractors are used to move trailers and containers within the cargo yard.) Based on the success of the test, we subsequently purchased a new Orange EV fully-electric yard tractor for the facility, and the vehicle went into operation in July 2023.

### Facilities & Operations

In 2023, we continued our push for operational efficiency by completing 111 environmental projects in our facilities, including waste reduction, recycling, and energy reduction projects. This involved a total investment of \$372,400, a projected annual cost savings of \$844,700, and an estimated annual reduction of 3,040 metric tons of CO<sub>2</sub>.

### *Energy Use and Consumption*

From technology investments to behavioral changes, we're taking a holistic approach to reduce energy consumption throughout our brick-and-mortar footprint. Here are some recent and in-progress highlights:

- We continue to operate in BREEAM-certified facilities in Dordrecht, Netherlands and Brno, Czech Republic; and we currently operate in two large buildings equipped with solar power technology: one leased (Dordrecht, Netherlands) and one owned (Winona, Minnesota).
- Through Puget Sound Energy's Sustainability Leadership Partners program, our Lacey, Washington distribution center used 100% wind energy in 2023.
- Our downtown office building in Winona, Minnesota and our distribution facilities in Lacey, Washington, Salt Lake City, Utah, and Madison, Mississippi achieved ENERGY STAR certification in 2023. We are working to have additional buildings certified in 2024.
- In 2024, we expect to participate in the EPA's Green Power Partnership to purchase and use solar and wind energy within our distribution centers and manufacturing locations.





- We recently broke ground on a new building in Salt Lake City, Utah that will serve as our distribution center for the region. This building has been designed with energy-efficient features and is slated to be completed in 2025.

#### *Warehouse Automation: Maximizing “Sales Per Square Foot”*

Over the past decade-plus, one of our key metrics has been increasing our product sales per square foot in our distribution centers. High-density automated storage and retrieval systems (ASRS) equipped with conveyors and robotic cranes have positively impacted this ratio by increasing throughput while optimizing space. For example, the ASRS installation in our Winona, Minnesota distribution center required a 42,000 square-foot facility expansion. If we had opted for traditional shelving instead of ASRS technology, the expansion would have had to be nearly four times larger to provide the same warehousing capacity.

Today, 11 of our 15 North American distribution centers are equipped with ASRS systems, and another installation is planned for 2025. These investments are allowing us to support our growing business with a more compact warehousing footprint and, in turn, less energy consumption.

#### *Evolving Our Branch Infrastructure*

Over the last several years, we’ve been restructuring our United States branch model to be more customer-focused and space-efficient. This includes removing standardized (non-market-specific) inventory, reducing or removing walk-in shopping space, and using that square-footage to install high-density vertical shelving to support customer inventory needs. In select locations, we’re also implementing "pick modules" to create a second floor of warehousing space, supporting thousands of additional products within the existing building. As a result of these strategies, we’re gaining significant capacity across our branch network – room to grow the business and improve customer service without expanding our brick-and-mortar footprint and associated energy consumption.

#### *Onsite: Sharing Space, Saving Energy*

Perhaps the biggest driver of change to our local footprint has been the rapid adoption of our Onsite model. With this approach, we typically use available space within the customer’s facility to provide dedicated staff and inventory for their operation. The environmental benefit is direct: By sharing space rather than operating out of a separate in-market location, we’re consuming minimal additional energy and producing fewer additional emissions. We believe the model also allows us to play a more active and impactful role in helping the customer reduce supply chain waste – for example, by reducing emergency deliveries, wasteful consumption, and excess inventory.

While our total number of in-market operating units has increased gradually in recent years, the ratio of Onsite operations to branch locations has increased dramatically. This structural shift, coupled with our branch space optimization efforts, is making our local footprint increasingly space- and energy-efficient. We believe our traditional branch count will



stabilize moving forward; however, we plan to continue to focus on adding Onsite operations as a primary growth strategy.

### *ENERGY STAR Program*



Initiated in early 2021, our partnership with ENERGY STAR provides us with tools to benchmark our electricity and natural gas usage in all of our United States and Canada locations. In 2023, we completed more than 1,000 ENERGY STAR assessments for Fastenal locations larger than 5,000 square feet.

In late 2022, our distribution centers in Salt Lake City, Utah and Lacey, Washington became our first facilities to be certified as ENERGY STAR buildings. In 2023, those distribution centers were recertified, and they were joined by two newly-certified facilities – our distribution facility in Madison, Mississippi and our downtown office building in Winona, Minnesota.

In 2023, we began an ENERGY STAR Treasure Hunt program with all of our North American distribution centers and manufacturing facilities. The purpose was to assess where (and how much) energy is being used in each facility and to pursue energy savings opportunities through behavioral, operational, and maintenance actions. Our goal: a 10–15% reduction in energy use at each location in the first year of the program.

In 2023, we made improvements in more than 15% of our U.S. and Canada traditional branches based on ENERGY STAR recommendations. These improvements include programmable thermostats, more efficient thresholds on exterior doors, LED lighting, and energy management programs for HVAC optimization. In 2023, our EHS and sustainability team worked with our branch teams to complete a total of 3,770 assessments, audits, and projects.

### Reducing, Reusing & Recycling

#### *Sustainable Procurement & Material Consumption*

In 2023, we created a waste management program aimed at reducing our waste-to-landfill impact while generating direct cost savings. By profiling and tracking waste streams, we are able to identify opportunities to improve our carbon footprint through waste reduction activities. The objective of the program is to improve our waste diversion rate 10% annually compared to the baseline year of 2021.

#### *Creating a Less Packaging-Intensive Distribution System*

As part of our automated storage and retrieval systems, our distribution centers utilize an estimated 115,000 reusable composite bulk bins and totes to store inventory and make deliveries to our in-market servicing locations, reducing the use of cardboard, wood, plastic, and other shipping/ packaging materials.



It's part of a larger trend in our business. Products supplied through Fastenal Managed Inventory (FMI) programs, which today represent a large and fast-growing share of our total sales, generally require less packaging than products provided through a traditional retail or direct-ship model. As our distribution system becomes increasingly "FMI-centric," we're working internally and with our manufacturing partners to reduce unnecessary packaging.

### *Waste & Recycling*

As an organization, we recycled roughly 16.4 million pounds of material in 2023. Our waste diversion rate increased from 70% in 2022 to 78% in 2023. The top performers in both years were our manufacturing facilities in Wallingford,

Connecticut and Winona, Minnesota, which in 2023 had waste diversion rates of 98% and 94%, respectively. (This was achieved in part by recycling oily wastewater and selling scrap metal that would otherwise end up in a landfill.) In late 2023, we began the journey toward zero waste certification for these facilities and we have a goal to achieve this certification in 2024.

### *Water Consumption & Natural Resources*

Although we believe our water consumption and risk exposure are low, we're taking steps to properly manage this critical resource. We comply with the United States Clean Water Act and relevant regulations in other countries where they apply to our operations – for example, in our management of storm water run-off, water permitting, and industrial waste water. In addition, we constantly work to reduce wasteful consumption of clean water. With regard to new location builds, we follow guidelines set by the World Wildlife Fund and Federal Emergency Management Agency to minimize our impact on areas with high water stress levels.

### *Environmental Risks & Opportunities*

Our North American distribution centers and manufacturing facilities have received third-party certification to the ISO 14001 standard. ISO 14001 specifies requirements for an environmental management system an organization can use to enhance its environmental performance through more efficient use of resources and reduction of waste and energy. To help us continue to perform at a high level and meet ISO 14001 requirements, we've partnered with two third-party firms, U.S. Compliance and EMI, which provide a variety of consulting and auditing services. We use risk assessments from these partners to identify areas of opportunity and consistently improve sustainability within our business operations. These assessments help us sustain environmental regulatory compliance in areas like air quality, the Clean Water Act, and the EPA's Resource Conservation and Recovery Act – all helping Fastenal maintain a low level of risk for the environment.

### Sustainability Solutions

Fastenal partners with suppliers, manufacturers, and industry-leading service providers to offer turnkey sustainability solutions. These solutions are part of a continuous improvement



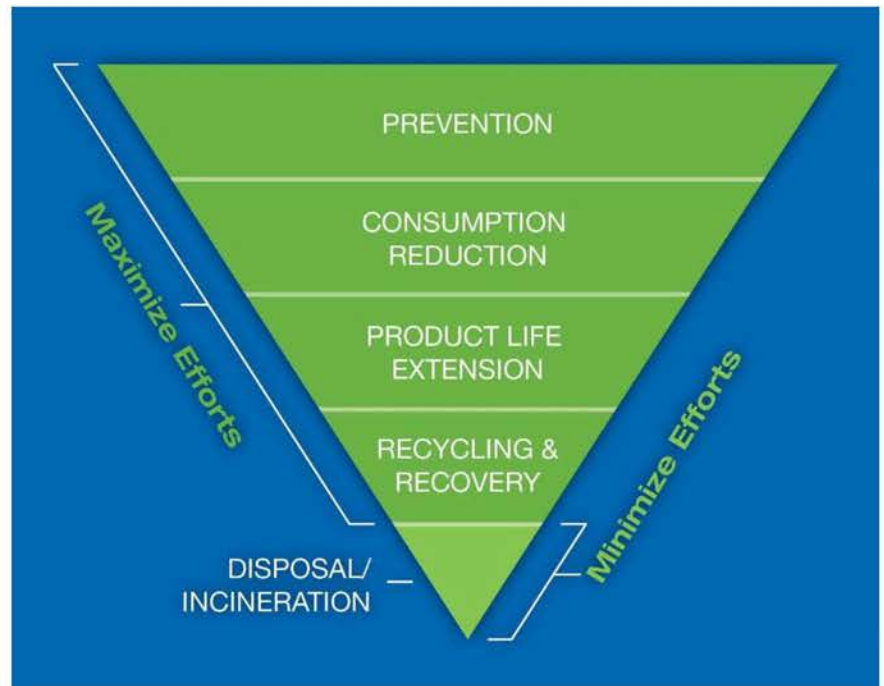
plan to (1) develop and implement strategic initiatives, (2) drive innovation in environmental practices, and (3) work cross-functionally to achieve long-term sustainability improvements. Our supplier/third-party programs are complemented by many of the core services and solutions we offer to help customers become more resource-efficient across the value chain.

#### *A Total Lifecycle Approach*

Recycling is often the first topic that comes up in discussions about sustainability, but it's really the last step in a comprehensive program. Fastenal helps our customers understand the full picture – the upstream impacts (suppliers) and downstream impacts (waste generation) that can be attributed to products in environmental product declarations (EPDs).

Reflecting this cradle-to-grave perspective, our Sustainability Solutions span four broad areas: prevention, consumption reduction, product life extension, and recycling & recovery.

It starts by consulting with the customer, understanding their unique needs and goals, and presenting a set of solutions to help them operate more efficiently and sustainably.



**PREVENTION:** Supporting sustainable procurement, energy efficiency projects, and process efficiencies in manufacturing and metalworking.

- **Green & Energy-Efficient Products Program:** As described above, Fastenal offers approximately 52,700 green products, including certified green products as well as environmentally preferable products within our standard eCommerce catalog. We have identified that these products (1) reduce negative effects on human health and the environment compared to competing products and/or (2) promote sustainability through resource conservation, end-of-life waste management, and life-cycle analysis. In addition to managing our green product program, Fastenal's compliance specialists assist customers with goal creation, sourcing, and custom reporting in support of their sustainable procurement initiatives.
- **Category Management:** Assisting customers with category management is central to our value proposition as both a strategic supplier and a sustainability solutions provider. It involves analyzing the products used throughout the customer's



operations, often on a global scale, and looking for opportunities to streamline the supply chain by (1) standardizing part numbers, (2) Rationalizing overlapping SKUs (items with the same fit, form, and function but sourced from different factories), and (3) switching to alternatives that provide greater lifetime value, which often means longer-lasting items with a reduced environmental impact.

From there, we can dig deeper for additional environmental benefits. Is there a green product alternative that meets the application need? Can it be supplied through a Fastenal vending program to reduce packaging and consumption? Can it also be included in a recycling program to create a circular economy?

A prime area of opportunity is the safety/PPE product category, which is well supported by our green product program, our FMI Technology program, and our third-party recycling and recovery programs. The driving force is our safety specialist team – highly-trained, broadly experienced EHS experts who point our customers to the best product solutions to balance their needs for safety, sustainability, compliance, and cost. We also offer high-level product and application expertise to support the metalworking and fastener categories.

- **Metalworking Program:** Some of the products we supply are highly technical in nature, requiring specialized expertise for us to serve as a solutions provider for the customer. A prime example: metalworking products, particularly the high-precision cutting tools manufacturers use to fabricate metal components.
- **Engineering Program:** We also support manufacturers with a global team of engineers who specialize in the science surrounding fasteners and fastening applications. In addition to reviewing prints, assisting with technical questions, and conducting trainings, these professionals work with customers' engineering teams during the design stage to optimize how fasteners are incorporated into the product. They also provide expert consultation and custom testing for safety-critical applications.

**CONSUMPTION REDUCTION:** Streamlining supply chain steps, visualizing usage, controlling consumption.

- **Total Cost of Ownership (TCO) Analysis:** In order to make data-driven recommendations for process improvements, our Lean Solutions team routinely conducts TCO Analysis (TCOA) exercises at customer facilities to analyze how they purchase, move, stock, and access products. Historically, these studies reveal an opportunity to reduce the TCO for in-scope products by an average of 21%\* by using our solutions.

Those are dollar savings, not emissions savings, but we believe there are also intrinsic green benefits. For example, our inventory management services present an opportunity for customers to reduce their inventory carrying cost (a reflection of how much inventory is stocked in their facilities) by an average of 39%. This represents direct resource reduction. It also frees up productive space in the



customer's building, forestalling the need for expansion (and accompanying resource consumption). Consolidating the number of vendors (by 56%\* on average) leads to fewer and larger shipments, which can reduce the use of fuel and packaging material. Perhaps the most direct impact is driven by our FMI Technology solutions which provide controls and reporting tools to help customers reduce consumption and upstream transportation.

- **FMI Technology:** Industrial supplies are traditionally a “blind spot” for entities who use them. Limited visibility to basic information – what product is stocked in the facilities, where it's located, how it's being used – leads to various forms of waste, from over-buying and obsolete inventory to stock outages and inefficient rush deliveries.

Through the development of our FMI (Fastenal Managed Inventory) Technology program over the past 15 years, Fastenal has emerged as the global leader in technologies that take industrial supplies out of the shadows and into a transparent, planned environment. This includes the mass deployment of devices that allow organizations to digitally monitor, track, and control wide-ranging products, typically driving a significant and sustained reduction in consumption.

The devices produce upstream benefits as well. With digital visibility to stocking levels and usage patterns within customer facilities, Fastenal teams are able to remotely monitor customers' inventory, make proactive adjustments in the supply chain, and become much more efficient in our operations.

**PRODUCT LIFE EXTENSION:** Maximizing product life through maintenance, repairs, and remanufacturing.

- **Tool Repair:** Fastenal's eight North American tool repair service centers provide authorized warranty repairs for 35 major tool brands and are able to work on more than 750 brands of tools in all. This resource, combined with our local service and transportation network, allows customers to meet their tool repair needs through a single efficient source, and to do so through a process that largely overlaps our existing service activities and truck routes.

Rather than having to transport products to multiple service providers, the customer places any broken tools in a (reusable) Fastenal tote or FMI Technology compartment. The customer's local Fastenal representative collects the tools during a regular service visit and ships them to our nearest service center via a regular Fastenal truck route. Our factory-trained technicians perform all repairs deemed cost-effective, and tools found to be past their economical repair lifespan are broken down to be reclaimed or recycled. Up to 95% of a tool's materials can be diverted from the waste stream, and we offer reporting for customers to document their contribution to waste diversion through the program.

- **Tool & Cutter Grinding:** The goal of this service is to help manufacturers reduce



waste by optimizing the performance and service life of their cutting tools. The customer's worn cutting tools are transported to a Fastenal manufacturing facility, where our machinists sharpen them to like-new condition. This service reduces the amount of waste generated and can be provided in conjunction with a recycling program, further contributing to the customer's sustainability goals.

**RECYCLING & RECOVERY:** Diverting waste from landfills to create usable products or energy.

- **Recycling & Recovery Programs:** Fastenal partners with key suppliers and recycling services to help customers integrate waste stream solutions into their work processes. This includes (but is not limited to) recycling programs for the following materials:
  - Batteries
  - Breakroom Supplies
  - Carbide Metalworking Products
  - Cardboard
  - Electronics
  - Flashlights
  - Janitorial/Sanitization Supplies
  - Lighting
  - Medical/Dental
  - Office Supplies
  - Packaging & Shipping Materials
  - Safety/PPE

In addition to the recycling options described above, in late 2023, we piloted a PPE recovery program in partnership with Wastebits as a complement to our PPE recycling programs. We help establish a simple workflow for customers to turn non-recyclable PPE waste into usable energy at an approved waste-to-energy facility. This process reduces the amount of material entering landfills and recovers energy to generate electricity or directly heat buildings. The EPA reports that for every ton of municipal solid waste processed at approved waste-to-energy facilities, emissions of greenhouse gases can be reduced by as much as one ton.

The PPE recovery program has recently been launched and is now available across the US. Accepted PPE includes: nitrile, rubber, and cotton gloves; safety glasses; earplugs; beard covers and hair nets; disposable garments, vests, sleeves; boot covers; disposable masks; and plastic packaging of qualifying PPE.

For additional details around Fastenal's sustainability efforts, please see the attached Exhibit 1 - 2024 ESG Report\_Fastenal Company.pdf.

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Facilities MRO and Industrial Supplies

Issued by the Commonwealth of Kentucky  
Solicitation Number RFP 758 2400000228



2. Does the Offeror identify products with any of the following environmental certifications in catalogs and/or price sheets (print and online)?

US EPA ENERGY STAR  Yes  No

US EPA Safer Choice  Yes  No

US EPA WaterSense  Yes  No

Biodegradable Products Institute (BPI, certified compostable)  Yes  No

Design Lights Consortium (DLC) for LED lighting products  Yes  No

Forest Stewardship Council (FSC)  Yes  No

Green Seal  Yes  No

UL ECOLOGO  Yes  No

UL GREENGUARD, SCS Indoor Advantage, etc. (certified low emitting)  Yes  No

Other(s): please list [SFI](#), [SCS](#), [Safer Choice](#), [CRI](#), [USDA Biopreferred](#)

3. Does the Offeror identify products with any of the following environmental attributes in catalogs and/or price sheets (print and online):

Percentage of post-consumer recycled content  Yes  No

RoHS-compliance (for electrical equipment)  Yes  No

Rechargeable batteries  Yes  No

Prop 65 Warning  Yes  No

Identified in online catalog? [Yes](#)

4. Describe how a buyer finds environmental products in your online ordering catalog. Does it show the ecolabels and environmental attributes that the Offeror recognizes? Include whether there are filters for EPP's in the online catalog. Provide examples.

[Green products are clearly marked with the Fastenal "green" icon to the right, indicating that the item offers environmental benefits according to either a 3<sup>rd</sup> party certifying agency \(EcoLogo, Green Seal, etc.\) or information provided by the manufacturer.](#)



In addition to green symbol labeling, Fastenal's online catalog offers multiple methods to clearly identify environmentally preferred products, including:

- Search options in the left navigation pane
- List view
- Keyword search
- Product details
- 3<sup>rd</sup> party certification information

When the "Green" symbol is clicked in our online catalogs or on [Fastenal.com](#), the Compliance Information section expands. This expanded view provides additional



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information regarding why the product is considered environmentally preferred. Compliance with 3<sup>rd</sup> party standards and certifications information is provided here as well.

The screenshot shows the Fastenal website interface. The main product page displays a bottle of '10 oz Cartridge TruShot 2.08 Cleaner/Degreaser'. A 'Compliance' pop-up window is open, providing detailed information:

- Trade Agreement Act:** This item is Trade Agreement Act, 52:225-5, compliant. Origin is subject to change.
- SDS:** (M)SDS, Material Safety Data Sheet Available. [View SDS](#)
- Green:** This green product carries the following certifications:
  - Green Seal
  - EcoLogo
- Hazardous Material:** Due to Dept. of Transportation (DOT) requirements and Fastenal policies, this item may only be allowed to ship via Fastenal truck.

Green products can be searched for in each category on Fastenal.com under Special Interest, with further narrowing of results by certification available (see example below).

The screenshot shows two filter menus:

- Special Interest:**
  - Trade Agreement Act (89380)
  - MFG in the USA (73384)
  - Supplier Diversity (21028)
  - Green (1852)
  - Fastenal Brands (22574)
- Green Certifications:**
  - 21 CFR 1772600 (22)
  - DLC (4)
  - Biodegradable ASTM D5511 (5)
  - Enhanced Biodegradation ASTM D5526 (87)



5. Does the Offeror offer any product take-back or recycling services? If yes, describe what services are available. If not, describe if the Offeror has any plans for the future:  
Yes. Fastenal partners with key suppliers and recycling services to help customers integrate waste stream solutions into their work processes. This includes (but is not limited to) recycling programs for the following materials:

- Batteries
- Breakroom Supplies
- Carbide Metalworking Products
- Cardboard
- Electronics
- Flashlights
- Janitorial/Sanitization Supplies
- Lighting
- Medical/Dental
- Office Supplies
- Packaging & Shipping Materials
- Safety/PPE

In addition to the recycling options described above, in late 2023, we piloted a PPE recovery program in partnership with Wastebits as a complement to our PPE recycling programs. We help establish a simple workflow for customers to turn non-recyclable PPE waste into usable energy at an approved waste-to-energy facility. This process reduces the amount of material entering landfills and recovers energy to generate electricity or directly heat buildings. The EPA reports that for every ton of municipal solid waste processed at approved waste-to-energy facilities, emissions of greenhouse gases can be reduced by as much as one ton.

The PPE recovery program has recently been launched and is now available across the US. Accepted PPE includes: nitrile, rubber, and cotton gloves; safety glasses; earplugs; beard covers and hair nets; disposable garments, vests, sleeves; boot covers; disposable masks; and plastic packaging of qualifying PPE.

6. Using the check boxes below, indicate what categories of products the Offeror offers that includes *at least* one of the listed required Environmental Specifications for the sub-category. If awarded, the subcategories will be included in the Master Agreement.

### **Specifications for EPP Products in Each Category**

#### **Environmental Product Specifications**

Offeror has the ability to provide product with the following environmental certifications or attributes, as identified below:

#### **Category #1: Janitorial Supplies, Equipment, and Sanitation Cleaning Chemicals**

##### **A. Cleaning chemicals**

1.  *Cleaning and floor maintenance chemicals* have at least one of the following certifications: Green Seal, US EPA Safer Choice, UL ECOLOGO, or Cradle to Cradle (Silver level or higher).



This product category includes, but is not limited to general-purpose cleaners, floor cleaners, glass cleaners, degreasers, non-disinfecting restroom cleaners, carpet and upholstery cleaners, deodorizers, dish and laundry detergents, wood and metal polishes, floor polish and strippers, air conditioner coil cleaners, etc. It also includes onsite generators of cleaning chemicals such as aqueous ozone.

2.  *Hand sanitizers* have at least one of the following certifications: Green Seal, UL ECOLOGO or Cradle to Cradle (Silver level or higher). This product category includes liquids, gels and wipes.

In addition, the product contains at least 60% ethanol per the Centers for Disease Control (CDC) guidance, does not contain any active ingredients other than ethyl alcohol or isopropyl alcohol, and is not on the US Food and Drug Administration's (FDA's) Hand Sanitizer Do-Not-Use List which may be viewed at: <https://www.fda.gov/drugs/drug-safety-and-availability/fda-updates-hand-sanitizers-consumers-should-not-use>. This list includes products that are dangerous because they are found or likely to be contaminated with methanol or 1-propanol or that are packaged in food or drink containers.

3.  *Hand soaps, body washes, and hair shampoos* have at least one of the following certifications: Green Seal, US EPA Safer Choice, UL ECOLOGO or Cradle to Cradle (Silver level or higher).
4.  *Keyboard cleaners* are EITHER mechanical or a chemical formulation that is free of chlorinated and fluorinated compounds (e.g., air dusters containing HFC-134a: 1,1,1,2-Tetrafluoroethane or HFC-152a: 1,1-Difluoroethane)
5.  *Surface disinfectants and sanitizers* are US EPA-registered and contain only the following active ingredients: Citric acid, Ethanol, Hydrogen peroxide, Isopropanol, Lactic acid, Octanoic acid (Caprylic acid), or Thymol OR are certified by either Green Seal or EPA's Design for Environment Program.

- B. Janitorial paper products EITHER have one of the following third-party certifications: Green Seal, UL ECOLOGO or Forest Stewardship Council (FSC); OR comply with the US EPA's Comprehensive Procurement Guideline (CPG), including:

- *Paper Towels and Industrial Wipers*: 40% post-consumer recycled content (PCRC)
- *Toilet Tissue and Toilet Seat Covers*: 20% PCRC
- *Facial Tissue*: 10% PCRC
- *Paper Napkins*: 30% PCRC



In addition, they do not contain intentionally added antimicrobial ingredients, fragrances, or dyes.

C. Waste, Recycling and Trash Supplies

1.  *Organic waste bags* have at least one of the following compostability certifications: Biodegradable Products Institute (BPI) or OK Compost (Industrial or Home). In addition, they are labeled with the certification. This includes bags that are made of bioplastic or paper lined with bioplastic.
2.  *Paper bags* are unlined and EITHER have at least 20% post-consumer recycled content (PCRC), which complies with the US Environmental Protection Agency's Comprehensive Procurement Guideline for Paper Bags, have 100% total recycled content, or are certified by the Forest Stewardship Council (FSC).
3.  *Plastic trash can liners* have at least 10% post-consumer recycled content (PCRC) OR are certified by UL ECOLOGO or Green Seal. In addition, the product does not contain any intentionally added antimicrobial ingredients, chlorinated compounds such as vinyl (PVC), fragrances, or PFAS (e.g., polytetrafluoroethylene (PTFE) and is not labeled "oxo-degradable" or "oxo-biodegradable".
4.  *Waste receptacles and recycling containers* comply with the applicable US EPA Comprehensive Procurement Guideline (CPG) for this category, which means it contains:
  - At least 20% post-consumer recycled-content plastic;
  - At least 25% post-consumer recycled-content corrugated cardboard; OR
  - 100% steel.

In addition, the product is free of vinyl (PVC) and fiberglass.

D. Janitorial Supplies

1.  *Cleaning cloths* are reusable and are made of EITHER microfiber, reused material or recycled-content fabric with at least 10% post-consumer recycled content. In addition, they do not contain antimicrobial ingredients, fragrances, cleaning chemicals, or other chemical treatments.
2.  *Floor pads used with powered janitorial equipment* EITHER contain at least 30% post-consumer recycled content (PCRC) OR are certified by Green Seal.
3.  *Gloves (including disposable and reusable products)* are free of PVC (vinyl) and latex. Gloves that are labeled compostable must be certified by the Biodegradable Products Institute (BPI) or Vincotte OK Compost.
4.  *Entryway, anti-fatigue and safety floor mats* are PVC-free AND:



- Contain at least 30% post-consumer or 50% total recycled content (e.g., rubber or PET); OR
  - Are 100% biobased (e.g., coir)
5.  *Mops, mop heads and dusters* are reusable and EITHER contain microfiber or are certified by Green Seal. In addition, the product does not contain vinyl (PVC), antimicrobial ingredients, fragrances, or cleaning chemicals (e.g., dust mop treatments).
6.  *Sorbents and other dust-control products*, including but not limited to loose and granular formulations as well as pads, socks and booms, meet one of the following criteria:
- Contain at least 89% total recycled content (which complies with the US EPA's Comprehensive Procurement Guideline (CPG) for this product category);
  - Contain at least 30% post-consumer recycled content; OR
  - Have one of the following certifications: Cradle to Cradle (Silver or higher), Green Seal, UL ECOLOGO, US EPA's Safer Choice or USDA Certified Biobased.
7.  *Sponges and scrubbers* are made of 100% cellulose and/or other plant-based fiber OR at least 20% post-consumer recycled material. In addition, the product does not contain antimicrobial ingredients, fragrances, cleaning chemicals, or other chemical treatments.

E. Powered Janitorial Equipment

1.  *Vacuum cleaners, carpet extractors, and deep cleaning equipment* are certified by the Carpet and Rug Institute (CRI) under its Seal of Approval Program.

A list of CRI-certified vacuum cleaners can be accessed at: <https://carpet-rug.org/testing/seal-of-approval-program/certified-vacuums>.

A list of CRI-certified carpet extractors can be accessed at <https://carpetrug.org/testing/seal-of-approval-program/certified-deep-cleaning-extractors>.

A list of CRI-certified deep cleaning equipment can be accessed at <https://carpet-rug.org/testing/seal-of-approval-program/certified-deep-cleaning-extractors/>.

2.  *Powered floor maintenance equipment (e.g., burnishers and polishers)* are electric-powered AND are equipped with controls or other devices for capturing



and collecting particulates.

3.  *Hand dryers* meet all of the following criteria:
  - a. UL or ETL listed.
  - b. RoHS-compliant
  - c. Energy consumption does not exceed 1500 watts.
  - d. Operate at a sound level of less than 80 dBA (decibels)

#### **Category #4: Plumbing Equipment**

1.  *Bathroom sink faucets and showerheads* are WaterSense-certified.
2.  *Toilets and urinals* are EITHER WaterSense-certified or waterless.
3.  *Water bottle refill stations* are UL listed, certified to NSF/ANSI Standard 61-G & 372 and conform with the lead content requirements for "Lead Free" plumbing by the State of California.
4.  *Water coolers, bottled water dispensers, and pool pumps* are ENERGY STAR-certified.
5.  *Water filters* (e.g., carbon filtration and reverse osmosis systems) meet applicable NSF standards.

#### **Category #5: Power Sources**

1.  *Batteries (AAA, AA, C, D and 9V only)* are rechargeable and uses nickel-metal hydride chemistry.
2.  *Battery chargers* are UL Listed and compatible with nickel-metal hydride rechargeable batteries.
3.  *Electricity generators* are battery-powered, and the battery does not contain lead.
4.  *Flashlights, lanterns, or headlamps* use LEDs as the light source OR have a built-in rechargeable battery.
5.  *Motors* are variable speed or labeled NEMA Premium Efficiency.
6.  *Solar powered-generating equipment* is UL or ETL listed.

#### **Category #6: Landscaping and Other Outdoor Products Supplies and Equipment**



1.  *Compost, mulch, and soil amendment products* are certified by the Organic Materials Research Institute (OMRI).
2.  *Deicers and snowmelt products for facilities maintenance* are certified by either Safer Choice or Green Seal, OR are on the Clear Roads Qualified Products List, which can be found at <https://clearroads.org/qualified-product-list/>. All products that contain sodium chloride have a corrosion inhibitor. These products are not intended for use on roads and include products in bags only up to 50 pounds as well as liquids only up to 55 gallons.
3.  *Fertilizers and pesticides* are certified by the Organic Materials Research Institute (OMRI) or the product is a mechanical pest management product such as a bait or trap. A list of OMRI-certified products can be found at <https://www.omri.org/us-list>.
4.  *Garden hoses* are free of vinyl (PVC).
5.  *Irrigation equipment*, including spray sprinkling bodies and irrigation controllers, is WaterSense certified.
6.  *Powered landscaping equipment* (e.g., chain saws; edgers, lawn mowers; leaf blowers, shredders and vacuums; mulchers, snow blowers, trimmers, wood chippers) emits zero emissions, which means it is powered by a battery or an electrical cord.

#### **Category #7: Lamps, Lighting, Ballasts and Equipment**

1.  *Lamps, luminaires and retrofit kits* use LEDs as their only light source and have at least one of the following lighting efficiency certifications: DesignLights Consortium (Standard, Premium or Luna), ENERGY STAR, or International Dark Sky Association.
2.  *LED drivers and lighting controllers* (e.g., occupancy sensors) are RoHS compliant AND UL or ETL listed.

#### **Category #8: Heating, Ventilation and Air Conditioning (HVAC)**

*Air conditioners, air purifiers, dehumidifiers, and ventilating fans* are ENERGY STAR-certified. Products that have the ENERGY STAR Most Efficient label or use refrigerants that have a "lower impact on global warming" (e.g., R-32) are preferable. Use ENERGY STAR filter to find preferable products.

1.  *Refrigerants* are considered "climate friendly" by US Environmental Protection Agency (US EPA) because they have a lower global warming potential. This includes:
  - R-32 (used in air conditioners)
  - R-290 (used in ice machines and refrigerators)



- R-600a (used in freezers and refrigerators)
2.  *Thermostats* are digital and EITHER programmable or ENERGY STAR-certified.

### Category #12: Paint and Related Supplies

1.  *Interior latex wall and ceiling paints and primers* have at least one of the following multi-attribute green certifications: Cradle to Cradle Certified or Material Health Certificate: at the Gold level or higher, Green Seal, Greenwise Gold, or Master Painters Institute (MPI) Extreme Green.
2.  *Specialty paints, primers and coatings* comply with the applicable South Coast Air Quality Management District (SCAQMD) limit on volatile organic compounds (VOCs); OR have a VOC content that does not exceed 100 grams/liter; OR have at least one of the following environmental and/or health third-party certifications:
  - Multi-attribute green certifications: Cradle to Cradle Certified or Material Health Certificate Silver level or higher, Green Seal, MPI Green Performance Standard (Extreme Green, GPS-2 or GPS-1), or Safer Choice (covers spray paint only)
  - OR single-attribute green certifications: SCS Indoor Advantage Gold (low emitting), UL GREENGUARD Gold (low emitting), USDA Certified Biobased, or ENERGY STAR (for roof coatings)
3.  *Paint thinners and removers* do not contain any chemicals on the [CA Prop 65 List](#), which are known to the State of California to cause cancer, birth defects or other reproductive harm (such as methylene chloride or n-methyl pyrrolidone).

### Category #15: Other

If there are other products that meet third party environmental certifications or standards that the Offeror offers that are not listed above, provide, similar to the above, the product type and the specific third-party certification or standard.

With ever-changing regulations we are constantly reviewing new certifications and work with our customers to ensure that we are providing the best possible product offerings. Below is an overview of some of the certifications currently available, however these are continually being reviewed and added to:

- Energy Star
- Green Seal
- Recycled Claim Standard (RCS)
- Global Recycled Standard (GRS)
- EPA Safer Choice
- EcoLogo
- Carpet & Rug Institute
- Greenguard Environmental Institute
- Sustainable Forestry Initiative
- USDA Biopreferred
- EPA WaterSense



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- SCS Certified
- NEMA Premium
- UL Environment
- USDA Organic
- Cradle to Cradle v3.0
- Cradle to Cradle v3.1
- Animal Welfare Approved
- Certified Humane
- GreenPro
- SMK
- Planet Proof
- TCO Certified
- Blue Angle
- GreenCircle Certified – Recycled Content
- GreenCircle Certified – Closed Loop product
- GreenCircle Certified – Certified Energy Savings
- GreenCircle Certified – Biobased Content
- GreenCircle Certified – Recyclable Material
- GreenCircle Certified – Life Cycle Assessment Optimized
- Certified OK Biobased by TUV
- Good Environmental Choice
- Green Crane
- Green Product Mark
- EPEAT
- Fair Trade USA Certified
- MAS Certified Green
- DesignLights Consortium (DLC)
- Biodegradable Products Institute (BPI)
- Design for Environment (DfE)



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## Attachment 06

### OFFEROR INFORMATION, ACKNOWLEDGEMENTS, AND CERTIFICATIONS

Offeror must provide complete responses to each item below. **Insert Offeror responses into this worksheet directly below each question or prompt.**

#### I. OFFEROR INFORMATION

Legal Name of Offeror: **Fastenal Company**

Address: **2001 Theurer Blvd.**

City, State, and Zip: **Winona, MN 55987**

State of Incorporation: **Minnesota**

Entity Type: **Corporation**

Contact name: **Zach Wise**

Phone: **507-313-7206**

Email: **govsales@fastenal.com**

Federal Tax: **41-0948415**

Entity Type:

- Sole Proprietorship
- Partnership
- Limited Liability Company
- Corporation

#### II. PROPOSAL CONTACT

The Proposal Contact must be able to respond timely to communications from the Lead State. Offeror must, within 24 hours, notify the Lead State of any change to Offeror's Proposal Contact.

A. Proposal Contact Name: **Zach Wise**

B. Proposal Contact Title: **Government Sales Manager**

C. Proposal Contact Email: **govsales@fastenal.com**

D. Proposal Contact Phone Number: **507-313-7206**



### III. ACKNOWLEDGEMENTS AND CERTIFICATIONS

By signing below and submitting a response to this RFP, Offeror acknowledges and certifies the following:

**A. Firm Offer.** Proposal is a Firm Offer for 180 Days following the Closing.

**B. Debarment.** (Check one of the below.)

- Neither Offeror nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in public procurement or contracting by any governmental department or agency.
- Offeror cannot certify the statement above, and Offeror will affix a written explanation to this attachment for review by the Lead State. If after reviewing Offeror's written explanation the Lead State determines it is not in the best interest of the Lead State, Participating Entities, or Purchasing Entities to award Offeror a Master Agreement, the Lead State may reject Offeror's proposal.

**C. Non-collusion.**

1. This Proposal has been developed independently by Offeror and has been submitted without collusion and without any agreement, understanding, or planned common course of action with any other Offeror or supplier of Deliverables in a manner designed to limit fair and open competition.
2. The contents of this Proposal have not been communicated by Offeror or its employees or agents to any person not an employee or agent of Offeror and will not be communicated to any such persons prior to the RFP Close Date.

**D. Nondiscrimination in Employment.** Offeror has in place a policy and practice of preventing sexual harassment, sexual assault, and discrimination against employees who are members of a protected class. The policy and practice includes giving employees a written notice that the policy both prohibits, and prescribes disciplinary measures for, conduct that constitutes sexual harassment, sexual assault, or unlawful discrimination.

**E. Data Disclosure to Foreign Governments and Prohibited Technology.**  
(Check one of the below.)

- Offeror is not an entity subject to laws, rules, or policies potentially requiring disclosure of, or provision of access to, customer data to foreign governments or entities controlled by foreign governments, and Offeror's offerings do not contain, include, or utilize components or services supplied by any entity subject to the same. Offeror's offerings also do not contain, include, or utilize



covered technology prohibited under Section 889 of the National Defense Authorization Act, as amended.

- Offeror cannot certify all statements above, and Offeror will affix a written explanation to this attachment for review by the Lead State. If after reviewing Offeror's written explanation the Lead State determines it is not in the best interest of the Lead State, Participating Entities, or Purchasing Entities to award Offeror a Master Agreement, the Lead State may reject Offeror's proposal.

**F. Blocked Persons.** Offeror and Offeror's employees, agents, and subcontractors are not included on: the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>, or the government wide exclusions lists in the System for Award Management found at: <https://www.sam.gov/portal/>

**G. Conflicts of Interest.** (Check one of the below.)

- Offeror represents that none of its officers or employees are officers or employees of the Lead State and that none of its officers or employees have a conflict of interest as defined by the laws, rules, or policies of the Lead State.
- Offeror cannot certify the statement above, and Offeror will affix a written explanation to this attachment for review by the Lead State. If after reviewing Offeror's written explanation the Lead State determines it is not in the best interest of the Lead State, Participating Entities, or Purchasing Entities to award Offeror a Master Agreement, the Lead State may reject Offeror's proposal.

**H. Business Certifications.** (Check if applicable)

- Offeror is a certified MWBE owned business, as defined in [KRS 45.560 - 45.640](#)

**I. Required Insurance.** Offeror agrees to acquire insurance from an insurance carrier or carriers licensed to conduct business in each Participating Entity's state at the levels prescribed in Attachment 4, Sample Master Agreement. Offeror understands that this requirement is mandatory and will not be negotiated by the Lead State.

**J. NASPO ValuePoint Administrative Fee.** Offeror agrees to pay a 0.25% administrative fee and submit summary and detailed sales reports to NASPO



ValuePoint in accordance with Attachment 4, Sample Master Agreement. All costs proposed by Offeror must be inclusive of the NASPO ValuePoint administrative fee. Offeror understands that the requirements in this section are mandatory and will not be negotiated by the Lead State.

- K. Marketing Plan.** If awarded a Master Agreement resulting from this RFP, within 30 days of execution of the Master Agreement, Offeror will meet with NASPO ValuePoint marketing personnel to review and track progress on the marketing plan described by Offeror in Attachment 8, Offeror Response Worksheet.
- L. Confidential, Proprietary, or Protected Information.** As set forth in Attachment 1, RFP Terms and Conditions, if Offeror is claiming any portion of its proposal as confidential, proprietary, or protected, Offeror must complete the required sections of Attachment 11, Claim of Business Confidentiality, and submit with Offeror's proposal a redacted copy of Offeror's proposal, which must be clearly marked as such. Offeror may not mark pricing or Offeror's entire proposal as confidential, proprietary, or protected. Submission of a Claim of Business Confidentiality does not guarantee that information claimed by Offeror as confidential, proprietary, or protected will not be subject to disclosure in accordance with applicable public information laws, rules, and policies. If Offeror fails to submit a redacted copy of Offeror's proposal, or fails to claim information as confidential, proprietary, or protected in compliance with this RFP, Offeror releases the Lead State, NASPO, NASPO members, and entities represented on the Multistate Sourcing Team from any obligation to keep the information confidential and waives all claims of liability arising from disclosure of the information.
- M. Conditional Awards.** Offeror understands that awards and execution of a Master Agreement are conditional as set forth in Attachment 1, RFP Terms and Conditions, and Offeror agrees to hold the Lead State and NASPO harmless and release the Lead State and NASPO from any liability for damages arising from non-award or non-execution of a contract.
- N. Understanding of the RFP.** Offeror acknowledges receipt of the RFP and all Amendments, if any. Offeror has read the RFP and all Amendments, if any, in their entirety and understands and agrees to comply with all requirements set forth therein. Any conflicts in the materials composing the RFP and any issues relating to the content of the RFP, including instructions, requirements, or specifications Offeror believes to be ambiguous, unduly restrictive, erroneous, anticompetitive, or unlawful, have been brought to the attention of the Lead State using the process described in the RFP for asking questions or, if applicable, by filing a protest. In accordance with Attachment 1, RFP Terms and Conditions,

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Offeror acknowledges and understands that any protest, claim, dispute, or action based upon a conflict or issue described herein must be filed no later than the RFP Close Date, and Offeror waives the right to file any protest, claim, dispute, or action based upon a conflict or issue described herein if not filed by the RFP Close Date.

- O. Performance under Master Agreement.** If awarded a Master Agreement, Offeror agrees to provide the Products and Services as described and meet or exceed the performance standards set forth in the final negotiated scope of work of the Master Agreement.

**Signature**

The undersigned is one of the following:

1. The Offeror, if Offeror is an individual;
2. A partner in the company, if Offeror is a partnership; or
3. An officer or employee of the responding corporation having authority to sign on its behalf, if Offeror is a corporation.

By signing below, the undersigned warrants that the representations made and the information provided in Offeror's proposal are true, correct, and reliable for purposes of evaluation for a potential contract award. The submission of inaccurate or misleading information may be grounds for disqualification from contract award and may subject the undersigned, Offeror, or both to suspension or debarment proceedings, as well as other remedies available to the Lead State by law, including termination of any Master Agreement awarded to Offeror.

**OFFEROR:**

  
\_\_\_\_\_  
**Signature**

4/29/2024  
**Date**

William Drazkowski  
**Printed Name**

Executive Vice President  
**Title**

narfp@fastenal.com  
**Email Address**

507-453-8723  
**Phone Number**



## Attachment 07 OFFEROR RESPONSE WORKSHEET

Offeror must provide complete and succinct responses to each item below. **Insert your responses into this worksheet directly below each question or prompt.** While supplementary marketing materials are neither requested nor desired, Offeror should provide all information necessary to demonstrate Offeror's ability to meet the requirements of this RFP and the RFP's Scope of Work.

### I. RESPONSE TO MANDATORY MINIMUM PROPOSAL REQUIREMENTS

To be considered for evaluation, *Proposal must contain each* of the following:

- Categories of Products and EPP (Attachment 02)
- Offeror Information, Acknowledgements, and Certifications (Attachment 06)
- Offeror Response Worksheet (Attachment 07)
- Percentage off List (Attachment 08)
- Market Basket (Attachment 8-1)
- Proposed Deviations to Sample Master Agreement (Attachment 09)
- Redlined Sample Master Agreement, if applicable (Attachment 04)
- Claim of Business Confidentiality (Attachment 10)

### II. RESPONSE TO DESCRIPTION OF PRODUCTS AND SERVICES

- A. Attachment 2, Categories of Products and EPP. Offeror must complete the attachment.
- ~~B. Describe Offeror's plan for providing the Products and EPP (if applicable) identified in Attachment 02.~~
- ~~C. Provide evidence of Offeror's ability to provide the Products and EPP (if applicable) identified in Attachment 02.~~
- ~~D. Describe Offeror's ability to fulfill Contractor Responsibilities and Tasks identified in the Description of Products and EPP, Attachment 02.~~

### III. RESPONSE TO TECHNICAL CRITERIA

- A. **Description of Products.** Offerors shall provide a full detailed description of their company and the products offered related to this solicitation. The Offeror shall provide a description of its ability to provide the products, supply chain distribution, stock items, outages notifications, environmental efforts within the company, geographic availability, etc.

Fastenal has an extensive product offering, wide-ranging partnerships with suppliers and manufacturers, subject matter experts in a variety of topics, an online ordering system, branch-based network, company distribution and logistics network, global sourcing, and a suite of supporting services and supply chain management solutions which can be deployed specifically to meet the needs of each NASPO ValuePoint Participating Entity.

As an incumbent NASPO ValuePoint contractor since 2011, Fastenal has excelled in administration, marketing, and compliance with the terms and conditions of the NASPO



ValuePoint Master Agreement. Fastenal currently holds 47 state-wide MRO contracts, 41 of which are with states that have signed a NASPO ValuePoint Participating Addendum – an increase of 10 additional statewide PAs added during the current contract period. Additionally, Fastenal has over 20 years of experience implementing many state-wide MRO contracts with cooperative use features. These statewide contracts span the spectrum of city, county, and state government agencies and utilize participating addendums.

### **Product Offering & Availability**

With 30+ well-supported product categories, 1.7 million+ SKUs sold, 7,500+ corporately-approved suppliers, and in-house resources to source and develop our product offering, we are ready to help NASPO ValuePoint's Participating Entities fully leverage their MRO spend. Fastenal is bidding on every product category, including Category 15 as expanded upon in section G below.

#### *Sourced Products*

Sourced product are products which are not currently listed in Fastenal's contract catalog or on-line ordering system but are able to be supplied by Fastenal. Fastenal's sourcing model is a service that we offer to customers to source products. The local Fastenal branch manages the sourcing, procurement, delivery, and, if required, the inventory management of the sourced product as part of a Fastenal vendor managed inventory solution.

Fastenal's sourced products are a direct line extension of the product offering consisting of thousands of vendors with whom we have developed a publicly recognized business relationship around promoting and developing the brands representative of the vendor. Price quotes and freight for these sourced products are based on current market conditions and are negotiated locally on a per-order basis and approved by the Participating Entity.

### **Supply Chain Distribution**

#### Distribution Network

While other national suppliers have consolidated their distribution systems to react and ship remotely (with a "built-in" 24-to-48-hour lead time), our decentralized infrastructure enables us to supply the vast majority of our customers' product needs either immediately or within the same day. The foundation is our North American network of 15 warehouses, 8,300+ delivery vehicles, 3,200+ in-market locations, and 113,000 Fastenal Managed Inventory (FMI) point-of-use solutions (automated vending and bin stock devices) – all working to anticipate local demand, stage products in close proximity to the customers who need them and shorten the supply chain to a matter of a few miles, or even at the point-of-use.

The backbone of our service is a company-owned transportation network that positions 15+ regional distribution centers at the nexus of carefully planned routes to our customers. The system is animated by customer demand, pulling product into the region, the local market, and ultimately the point of use based on usage patterns.

Planned product needs are stocked in our regional DCs and delivered via Fastenal truck to the Participating Entity's facility (or offsite Fastenal location) on a regular service schedule to





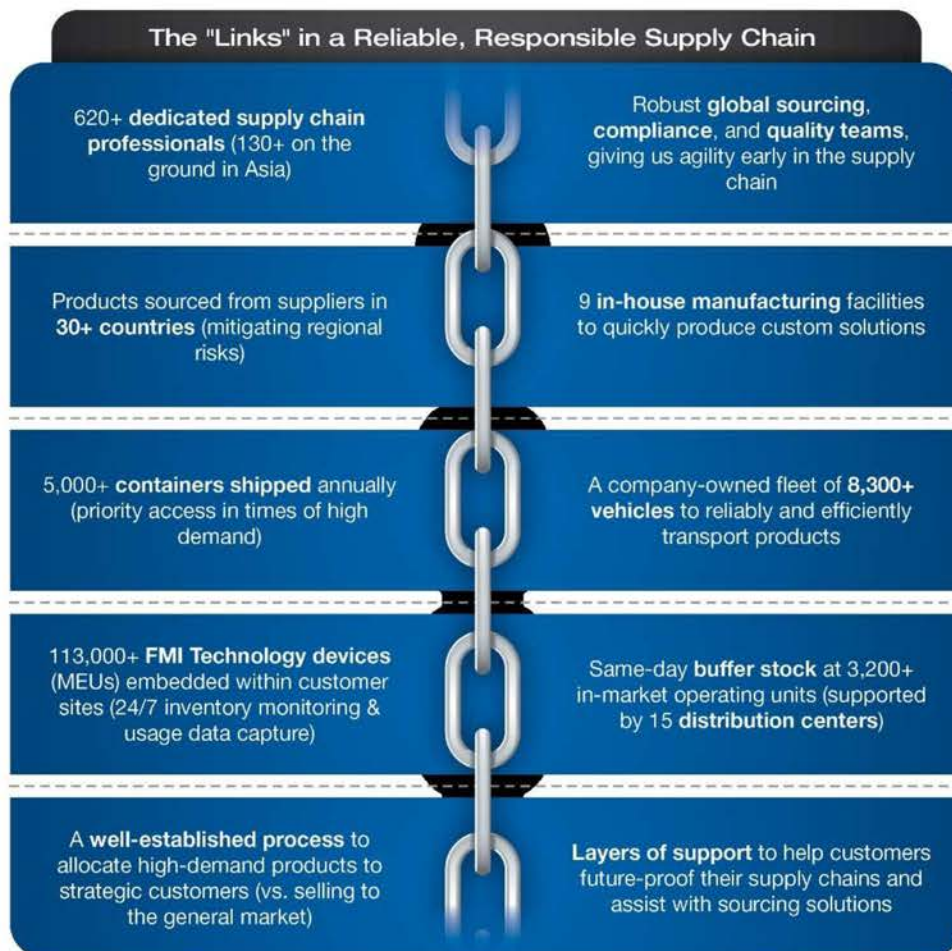
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maintain target inventory levels – a consistent, proactive flow that minimizes stock-outs and costly rush orders. Should a customer choose to utilize a third-party carrier for expedited delivery, shipping & handling fees may apply and would be pre-approved by the customer prior to order placement.

Supply Chain Resiliency

Recent years have revealed an unfortunate truth: When a supply chain is broken, sustainability can quickly become an afterthought. The mindset shifts from strategic to transactional, planning gives way to panic buying, and long-term environmental concerns are overshadowed by immediate needs. In an increasingly volatile world, we believe there is no tension between business success and sustainability, and that both are predicated on supply chain resiliency.

With our strategic supply model, resiliency is a precondition for partnership. Before an organization can consolidate their supply needs with Fastenal and allow us to help them operate more efficiently, they need to trust that we'll maintain a reliable supply chain for mission-critical products. This is why our overriding priority, above all else, is to ensure continuity of supply for those customers who rely on Fastenal as a supply chain partner.





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### Responsible Sourcing

As a strategic supplier, we believe Fastenal has a responsibility to stay in sync with an ever-changing landscape of global regulations, supply chain risks, and industry demands. To that end, we maintain multiple teams of compliance specialists around the world with the expertise to ensure the products we supply meet or exceed applicable standards and regulations across global supply chains. Our processes are regularly updated in response to new and changing regulations, business needs, and customer expectations; however, we maintain a consistent focus on the following areas to mitigate risk for ourselves, our customers, and other stakeholders.

### Supplier Compliance

Through our supplier terms and code of conduct, we require our suppliers to comply with all applicable regulations. We conduct a risk analysis of suppliers who want to do business with us, which as a baseline includes obtaining supporting documentation regarding quality, capacity, and labor practices. We are committed to building relationships with well-qualified suppliers that meet our standards for quality, ethics, sustainability, and reliability. Conformance to our supplier code of conduct is required to become, and maintain good standing as, a supplier to Fastenal of any supplied material or service. (This expectation is reinforced in each Fastenal purchase order, which references our supplier code of conduct and purchase order terms and conditions.) We evaluate suppliers' compliance with these standards in determining whether to grant or continue preferred status. Suppliers that do not comply with this code of conduct may be disqualified from preferred status and/or have their business relationship with Fastenal terminated.

### Import Control Policy

To establish visibility and control early in the supply chain, we operate a global sourcing division known as FASTCO (Fastenal Asia Sourcing and Trading Company). This resource is made up of more than 200 Asia-based personnel, including factory auditors, engineers, procurement professionals, quality specialists, and logistics specialists, allowing us to closely monitor risks and opportunities and maintain a high level of control over product quality. It also includes five international A2LA-accredited quality labs (in addition to the four A2LA-accredited labs we operate in the United States), which provide comprehensive mechanical and chemical fastener analysis. Product testing is conducted to internationally recognized standards as well as customer specifications.

### Product Transparency

In addition to the controls and processes described above, Fastenal's compliance team works to provide visibility to the product attributes we believe are most important to our customers. This includes using the following icons on our eCommerce platform, other marketing channels, and point of sale system to help customers make informed purchasing decisions.





### *Forced Labor Policy*

Fastenal maintains a strong stance against the use of forced labor within any tier of our supply chain and actively works with our suppliers to monitor, educate, and address any potential compliance concerns. Forced labor prevention expectations are written into our supplier code of conduct. In addition, our teams execute supplier documentation reviews, on-site audits, internal and external trainings, risk assessments, and material origin reviews.

### *Supply Chain Security Policy*

As both an importer and exporter, Fastenal has been a member of the United States Customs and Border Protection Agency's Customs Trade Partnership Against Terrorism (CTPAT) program since 2009. This supply chain security partnership program is designed to secure and facilitate the movement of legitimate international trade and improve security throughout the supply chain, from the point of cargo origin to the final import destination. The program provides a foundation for Fastenal's risk-based approach to supply chain security. It guides our employee training curriculums, internal facility audits, vendor security campaigns, warehouse security measures, and freight tracking procedures; and it is the controlling policy document that outlines Fastenal's internal expectation regarding forced labor controls.

### *Quality Control*

Our current quality management system is registered to ISO 9001:2015 and certified by TUV Rheinland of North America. This certification covers 73 locations, including all distribution centers, industrial services centers, internal manufacturing locations, FASTCO, and select in-market servicing locations. In addition to controlling our internal quality system, Fastenal operates nine product testing labs as part of our supply chain quality control process. The labs, which are accredited by the American Association for Laboratory Accreditation (A2LA), provide mechanical and chemical analysis to meet internationally recognized standards as well as customer specifications. These internal mechanical testing resources and our access to external accredited labs give us the ability to test products across our scope of supply.

### *Selection and Monitoring of Corporate Suppliers*

This involves multiple stages and teams. First, our supplier intel group does background research on the potential corporate supplier. If they meet basic requirements, our field auditors conduct a pre-audit to collect additional data and samples for lab testing, while our purchasing team verifies whether the pricing is competitive. If the supplier passes the pre-audit, we then perform a full audit of their quality process. (Based on an internal risk analysis, certain suppliers are also subject to a full audit of their social compliance.) If approved, the supplier can be issued a vendor number and activated in our system. All corporate suppliers are evaluated monthly with quality performance scorecards.

### *Product Alerts and Recalls*

Our quality management system includes well-defined processes for product alerts and recalls. These can be initiated either internally by Fastenal (based on product testing in our A2LA-accredited labs) or externally by our supply chain partners. Recalls and alerts are classified into four levels:



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- Level A is an alert only, prompting us to remove the product from our distribution centers.
- Level B is also an alert only, but in this case the product is removed from both our distribution centers and our in-market servicing locations (branches and Onsites).
- Level C is an internally-initiated recall whereupon we remove the product from all Fastenal locations and notify customers of the product failure.
- Level D is a vendor-initiated recall. The supplier recalls a specific product, and we communicate the recall requirements to our end-user customers globally.

In a recall or alert situation, Fastenal is able to lock down the product on a corporate level so that it cannot be sold through our point-of-sale system.

#### *Conflict Minerals Policy*

Fastenal's conflict minerals policy provides a framework for compliance with Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd Frank Act"). This section pertains to 3TG minerals (tin, tantalum, tungsten, and gold, which are derivatives of cassiterite, columbite-tantalite, and wolframite) regardless of where they are sourced, processed, or sold. As a United States issuer of securities governed by the Securities and Exchange Commission, Fastenal and its subsidiaries use this policy to guide the implementation and maintenance of our conflict minerals program.

Fastenal expects manufacturers of Fastenal-branded products, custom-engineered products, or other products over which we exert influence through product development or design to have policies and due diligence measures in place that will assure knowledge and notification of products and components that contain conflict minerals. We have partnered with a third-party organization to assist in the collection and validation of information from our suppliers and to help us improve the overall quality of our reporting.

More broadly, we expect suppliers to conduct their business in alignment with Fastenal's supply chain responsibility expectations. In support of this policy, Fastenal will:

- Exercise due diligence with suppliers consistent with the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (and encourage our suppliers to do the same with their upstream suppliers).
- Provide due diligence information to customers confirming the applicability and/or compliance of products supplied by Fastenal.
- Continue our involvement with relevant industry groups, such as the Twin Cities Conflict Mineral Task Force, to stay on top of developments, changes, and future requirements.

#### **Stock Items & Outage Notifications**

Our local footprint positions us to support NASPO ValuePoint's Participating Entities with a dedicated service team, tailored in-market inventory, last-mile delivery (via Fastenal trucks), and custom Fastenal-managed inventory programs. The impact is direct. When we locally stock their product needs, items are immediately available. When paired with our Fastenal Managed Inventory (FMI) Technology programs (as further elaborated on below), Fastenal will



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ensure product is kept in stock both within the Participating Entity's facility, the servicing Fastenal branch, and the servicing regional distribution center.

The goal of our FMI Technology programs is to digitize the supply chain for MRO products, providing transparency and allowing for strategic planning. This includes:

- Mobile technology to illuminate product locations and details
- IOT ("the Internet of Things") solutions to digitally monitor fast-moving parts 24/7
- Devices to digitally track and manage tools and other assets
- Devices to control consumables and limit who has access to what
- Visibility to product stocked within the facility
- Analytics & insight to individual activities and larger trends

All of these features contribute to an environment in which the inventory the Participating Entity needs is stocked locally according to their usage patterns. Through our solutions, the Participating Entity's servicing Fastenal branch is automatically notified when product reaches an established minimum level so we can have the product replenished before it ever reaches the point of an outage.

While we make every effort to ensure outages do not occur, when a product is not in stock, not available from the supplier, or has been discontinued, our internal system will immediately notify our branches and based on the delivery expectations of the customer, Fastenal will offer a substitute product of equal or greater quality, subject to the approval of the Participating Entity. The end user will determine if the substitution is acceptable.

#### Fastenal Managed Inventory Technology (Vendor Managed Inventory)

By partnering with Fastenal, Participating Entities will benefit from a customized Fastenal Managed Inventory (FMI) program. This includes providing end-to-end logistics, in-market warehousing, and local service to ensure a proactive flow of planned product needs. It also includes investing in the partnership with FMI Technology solutions, helping each Entity achieve the right balance of visibility and control for every product within the scope of the partnership.

Our FMI Technology program centers on five core concepts:

- **SIMPLIFY:** Through our FASTStock program, the local Fastenal teams will execute a consistent service schedule to manually monitor and replenish the Participating Entity's inventory locations. This manual process is enhanced by technology, including mobility applications that enable our teams to capture and illuminate data around every part we manage on their behalf:

“ At the end of the day, what's important for us is making sure our customers and students are taken care of. But another important piece is taxpayer money. Community members *are* always asking us to run the school district like a business. Well, we are running it like a business. We focus on what we do best, and we bring in partners like Fastenal to do what they do best – efficiently distributing parts and supplies so we can make repairs at a very low cost. ”

Director of Facilities and Maintenance  
Fastenal Government Customer



what it is, where it's located, and when we're servicing it. If the Entity prefers to handle inventory monitoring/ordering internally, we also offer a self-service scanning solution (FASTScan).

- **MONITOR:** FASTBin devices provide an additional level of visibility and risk mitigation by enabling the servicing Fastenal teams to monitor your bin stock inventory remotely and continuously – a good fit for faster-moving/higher-value MRO items. The benefits are twofold: a more proactive and seamless supply chain, along with more productive utilization of the local Fastenal service teams (i.e., additional labor energy to focus on strategic activities vs. repetitive tasks).
- **CONTROL:** FASTVend devices can be deployed to control MRO products of all shapes and sizes. The cloud software makes it easy to set customized controls (who can access what, and how much) and to trace items to individual users and cost centers (including GL codes and/or job numbers if desired). One key result is a sharp and sustained reduction in consumption, typically 20 to 30%. Similar to FASTBin, the local Fastenal teams remotely monitor the inventory in the devices and proactively plan their service to ensure continuous supply.
- **TRACK:** We also offer FASTVend solutions to automate the check-out and return process for assets like tools, scanners, and tablets. Site managers can track each asset to the most current user and receive an alert if it's overdue for return. Alerts and lockdowns can also be scheduled for routine recharging, calibration, or maintenance, ensuring that job-ready tools are continuously available near the point of work. Entities can leverage this technology to reduce tool loss and improve productivity.
- **ANALYZE:** The ultimate goal of an FMI Technology solution is to take industrial supplies out of the shadows and into a more efficient and controlled environment. Site managers will gain insight into product usage and allocation – how fast each item is turning, who's using it, and what it's being used for. Meanwhile, as the Entity's supply chain partner, we will analyze trends in the business and present opportunities to continuously evolve the program (devices, locations, product mix, and min-max levels) for maximum impact.

### *FASTVend Technology Overview*

Through our FASTVend program, we offer a diverse lineup of devices to meet each Participating Entity's product and process needs. The common features are employee ID-based access (connecting products to individuals and cost centers), cloud-based software (a simple, secure way to manage settings and access reporting), and layers of support to provide a turnkey program – from design and implementation to ongoing replenishment and optimization.



### **COIL MACHINES (5K & 3K)**

Our coil devices provide maximum control over fast-moving items. The user has access to one product at a time (one transaction = one item dispensed). This allows local managers to set product-specific access controls (so that certain items can only be vended by authorized job titles, or in limited amounts within a time period). A versatile solution for wide-ranging but generally smaller-sized items.



**MULTIPURPOSE LOCKERS (2, 3, 12, 18, 27, 30 & 36 DOOR)**  
These devices provide three basic functions: (1) vend large consumable items, (2) automate the check-out/return process for assets (tools, scanners, tablets, etc.), and (3) serve as an automated will-call station for spot-buy deliveries from Fastenal.



**SENSOR LOCKERS (18, 24 & 27 DOOR)**  
Sensor lockers provide per-item traceability along with 'grab and go' access. The user makes a selection to unlock a cabinet, and weight sensors automatically detect and report the number of items taken. This technology is for dispensing only, not for asset management. A good fit for high-volume consumables that require greater traceability than our multipurpose locker units.



**SENSOR CABINETS & DRAWER UNITS**  
Also provide 'grab and go' access to a variety of products while connecting each item to the user. The single-door model is a large cabinet for various-sized MRO items, including cans and boxes. The drawer-only model is equipped with bins for loose consumables, including cutting tools. And the combo door-drawer unit functions as a dual metalworking/MRO solution.

### ***FASTBin Technology Overview***

As part of our mission to ensure continuous supply to Participating Entity facilities, we're excited to offer technology that enables our local service teams to monitor fast-moving bin stock inventory remotely and continuously. Depending on the local needs, we can provide the following solutions to make our bin stock service more efficient and proactive.



#### **FASTBin<sup>SM</sup> – RFID**

This solution combines radio frequency identification (RFID) technology with a classic multi-bin system. Each bin has a unique RFID label on the back. When the front bin runs empty, the user places it on the top shelf, where an RFID controller senses the label, triggers a change in inventory state in our system, and puts our local service into motion.

#### **FASTBin<sup>SM</sup> – IR**

This modular system brings 24/7 monitoring to the point of use. Infrared (IR) sensors within each bin detect the current level based on the number of infrared beams blocked by product. We electronically monitor the changes in inventory state and plan our service accordingly.





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### FASTBin<sup>SM</sup> – SCALE

A weight-based system that provides real-time visibility to quantities and inventory values. Load cells beneath each bin sense and report real-time QOH for each bin. When inventory falls below the targeted replenishment trigger, the system automatically sends an alert to the servicing Fastenal location.

### Onsite Program Overview

Our local branches position us within minutes of the Participating Entities. Our onsite model brings us even closer, in terms of proximity and partnership. While our branches have to balance general market needs, an onsite resource has a single focus: operating a world-class supply chain for the Participating facility.

With this model, we provide full-time Fastenal experts to handle daily crib operations. We also invest in consigned on-premises inventory, providing immediate access to planned needs while driving financial goals. Solutions, suppliers, services, specialists – everything we offer can be part of an onsite solution. Customization is the key word, and it begins with three basic questions: What do you use? What do you want to achieve? And how can we build a total solution around that?

Advantages of Fastenal’s onsite program include:

- **EXPERTISE:** Fastenal’s onsite teams will do more than fill orders and bins. They become experts in the Participating Entity’s operations and the products needed to run them. They also serve as the point persons for other experts in our business, pulling in specialists, suppliers, and sales leadership to execute projects and drive improvement.
- **LABOR UTILIZATION:** The teams essentially serve as part of the Entity’s staff, but without being on their payroll. Entities leverage our energy and expertise to free up labor resources and operate more efficiently.
- **BUDGETING:** When we move onsite, we sell down current inventory and phase in our own. Moving forward, the inventory remains on our books until it reaches the floor stocking locations – a dollar-for-dollar improvement in budgeting.
- **CONSOLIDATION:** The synergy and efficiency of the onsite model allows us to manage an even broader range of products used in the Participating Entity’s operations, expanding opportunities to consolidate, simplify, and leverage.

#### Jody Dumas

*Executive Director of Facilities Planning and Construction  
School Board of Sarasota County*

Responsibilities: maintenance and custodial operations along with long-range planning and construction

“For us, it’s a hands-off approach for parts and supplies. And that’s really what I wanted to have in the district – to have Fastenal come in, be integrated with our entire operation, and be able to get parts where we need them, when we need them, and how we need them. I’m a pretty demanding customer, so I asked that of them, and they’ve done a great job of doing that for us.”





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- **INNOVATION:** We bring a deep history in supply chain management. Just as importantly, we bring the future. An onsite solution becomes a direct pipeline to the latest innovations in areas like automated supply, asset tracking, data analytics, and A.I.
- **EXPERIENCE:** With 1,800+ onsite programs worldwide, nobody offers more experience in implementing and operating successful programs. We're ready to leverage our local talent and infrastructure to quickly craft and activate custom solutions for NASPO ValuePoint Participating Entities.

Please see the attached Exhibit 2 - Example Onsite Participation Form\_Fastenal Company.pdf for an example of the document to be executed by the Participating Entity for this program.

### **FASTPOD**

For jobsite or disaster recovery solutions we recommend the use of our FASTPOD – an innovative, Products-on-Demand solution to keeping your site secure and supplied. The POD is fully customizable with inventory solutions and technology. Storage options include vending, bin stock, shelving, and bulk storage.



### **FASTCrib**

FASTCrib is a complete inventory, asset, maintenance, and procurement solution. It is a cloud-based application that is accessible 24 hours a day from anywhere with internet access, providing full visibility into your supply chain. The 5 core modules are: Procurement; Inventory Management; Maintenance & Work Orders; Asset Management; and Reporting. Benefits offered through FASTCrib include:

- Create oversight and control over your inventory and assets - for the shop, the entire facility, or even multiple locations.
- Manage replenishment and procurement.
- Send requests for approval to supervisors and managers.
- Automate the full buying cycle.
- Manage and schedule maintenance events.
- Provide end-to-end control and visibility of the procurement life cycle.
- Restrict spot buy purchasing and other uncontrolled spending.



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## Environmental Efforts

### Our Environmental, Social, & Governance (ESG) Vision

As a catalyst for innovation and positive change, we strive to provide exceptional value to our customers by empowering people, preserving our world, and serving as a trusted supply chain partner.

	Strategic Objectives	Relevant Topics
 <b>Empowering People</b>	We foster a safe and welcoming workplace for all, prioritize employee development, and empower our "Blue Team" to achieve positive outcomes for themselves, our customers, and the community.	<ul style="list-style-type: none"> <li>Employee safety/wellbeing</li> <li>Diversity, equity, and inclusion</li> </ul>
 <b>Preserving Our World</b>	We work to reduce consumption and environmental impacts throughout our operations and provide solutions to help our customers do the same.	<ul style="list-style-type: none"> <li>Energy efficiency</li> <li>GHG emissions</li> <li>Sustainable products/materials</li> <li>Waste management</li> </ul>
 <b>Serving as a Trusted Partner</b>	As a vital part of our customers' operations, we are committed to providing a supply chain that is efficient, resilient, and responsible.	<ul style="list-style-type: none"> <li>Business ethics</li> <li>Product quality and safety</li> <li>Supply chain resilience</li> <li>Responsible supply chain</li> </ul>

In keeping with our pillar of 'Preserving Our World,' Fastenal's value proposition centers on helping organizations become more resource-efficient across the supply chain. It starts by driving efficiencies within the span we directly control – the vehicles, large facilities, and in-market locations we operate to serve customers across the country and around the world.

### Our Strategic Focus – Net Zero by 2050

In 2022, we announced our intention to work toward a plan to reach net zero emissions by 2050, including an expectation to establish science-based targets in the coming years. As we progress in our journey, we continue to expand the information we gather and report to CDP (formally known as the Carbon Disclosure Project) in accordance with the Greenhouse Gas (GHG) Protocol. We have broadened our reporting to cover the entirety of our scope 1 and 2 emissions from all global business operations, and we recently completed a scope 3 materiality assessment, an important step to further broaden our carbon inventory and establish baselines for science-based targets.

### Key Systems & Programs:

- We have received third-party certification to the ISO 14001 environmental management standard. ISO 14001 provides a framework for us to design and implement an effective environmental management system.
- We are an ENERGY STAR Partner, demonstrating a commitment to measure, track, and improve our energy performance. We use the ENERGY STAR Portfolio Manager to benchmark our energy use in individual buildings.



- We are proud to be a certified EPA SmartWay Partner. This program provides us with tools and best practices to measure, benchmark, and improve our freight transportation efficiency.

### 2023 Highlights



We received a **silver medal from EcoVadis**, signifying that the quality of our sustainability management system ranked in the top 25% of all 125,000+ companies in all industries rated by EcoVadis. We earned our first EcoVadis medal, a bronze, in December 2022. Prior to that, our sustainability programs and reporting did not merit a medal designation. This rapid improvement (from receiving no medal recognition to earning a silver medal within a two-year period) reflects a heightened and long-term commitment to invest in and continuously improve our core processes, systems, and reporting around sustainability.

We were selected by Newsweek as one of **America's Greenest Companies** (something only 300 companies in the United States can claim). The rankings reflect an analysis of organizations in the U.S. that have a minimum market capitalization of \$5 billion and adhere to the European Union sustainably standard guidelines. Evaluations are based on the companies' greenhouse gas emissions, water usage, water generation, waste generation, and sustainability data disclosure and commitments.

The Business Intelligence Group credited Fastenal for the **Sustainability Initiative of the Year** within our industry – for our program with Trex Company, Inc. to create a circular economy for plastic waste. In addition, one of our corporate sustainability managers was asked to join the Business Intelligence Group's judges panel to help advise the business community on tactics for sustainable operations.

### Transportation – Driving Toward a Greener Future

A key (and differentiating) feature of Fastenal's service model is our in-house transportation network, which allows us to control the movement of materials across much of the supply chain. Our North American fleet includes more than 800 commercial motor vehicles (CMVs) as well as 8,300 RAM pickup trucks used by our local teams to provide final-mile delivery service.

### *Extending the "Last Mile" to the "Last Yard"*

In addition to picking up shipments from suppliers and transferring products across our distribution center network, our CMV fleet transports approximately 90% of the product tonnage moved from our regional distribution centers to our in-market operating units (a core aspect of our local service model).

Roughly two-thirds of our North American branches receive their product deliveries via our CMV fleet during the night (low- traffic hours associated with better overall fuel efficiency).



The RAM pickup fleet is used by our local branch personnel to execute final-mile delivery to the customer, and in many cases the destination is a point-of-use device within their facilities – a unique capability made possible by our investment in final-mile transportation and high-touch service

### *Fuel Efficiency Strategies*

Because we sell and replace a large portion of our fleet annually, we are regularly reviewing the latest fuel efficiency and safety options. In 2023, we replaced roughly 1,820 vehicles to capture the newest technology. This included ordering 713 vehicles equipped with embedded telematics, which will provide local managers with visibility to the vehicles' fuel consumption and related data such as idling time, speed, and acceleration – a valuable tool to improve the efficiency of the units.

Since mid-2019, Fastenal has participated in the United States Environmental Protection Agency's SmartWay program, which helps partnering carriers learn best practices, demonstrate their efficiency achievements, and pursue continuous improvement. We're working to positively impact fuel efficiency in a variety of ways:

- Using geographic information systems (GIS) to map the most efficient truck routes
- Analyzing departure and arrival schedules to minimize delays caused by traffic in metro areas
- Optimizing load configuration to minimize non-utilized capacity
- Back-hauling freight from suppliers and also customers (through our third-party logistics service) to minimize one-way or "deadhead" loads
- Using telematics to monitor driving activities and identify opportunities to improve fuel efficiency

### *Testing & Implementing New Technologies*

Our drive for efficiency includes an ongoing commitment to test and, when feasible, adopt alternative fuel vehicles. In 2020 and 2021, through a fleet-electrification collaboration program with Penske Leasing and Daimler Trucks North America, we conducted a short-term pilot of a fully-electric Freightliner eCascadia semi-truck in the Los Angeles metro area. After running the truck on a regular route for one month, we provided real-world feedback to guide future improvements to the technology.

As part of the program, we also conducted a longer-term pilot with two fully-electric Freightliner eM2 straight trucks, which we ran on daily routes within the Los Angeles metro area in 2020 and 2021. It proved to be a good fit for certain use cases, and in late 2023 we signed a lease agreement for two of these vehicles, which we plan to start running in the Modesto, California area in fall 2024.

In fall 2021, we conducted a test of a demo Orange EV fully-electric yard tractor at our Indianapolis, Indiana distribution center. (Yard tractors are used to move trailers and containers within the cargo yard.) Based on the success of the test, we subsequently purchased a new Orange EV fully-electric yard tractor for the facility, and the vehicle went into operation in July 2023.



### Facilities & Operations

In 2023, we continued our push for operational efficiency by completing 111 environmental projects in our facilities, including waste reduction, recycling, and energy reduction projects. This involved a total investment of \$372,400, a projected annual cost savings of \$844,700, and an estimated annual reduction of 3,040 metric tons of CO<sub>2</sub>.

### Energy Use and Consumption

From technology investments to behavioral changes, we're taking a holistic approach to reduce energy consumption throughout our brick-and-mortar footprint. Here are some recent and in-progress highlights:

- We continue to operate in BREEAM-certified facilities in Dordrecht, Netherlands and Brno, Czech Republic; and we currently operate in two large buildings equipped with solar power technology: one leased (Dordrecht, Netherlands) and one owned (Winona, Minnesota).
- Through Puget Sound Energy's Sustainability Leadership Partners program, our Lacey, Washington distribution center used 100% wind energy in 2023.
- Our downtown office building in Winona, Minnesota and our distribution facilities in Lacey, Washington, Salt Lake City, Utah, and Madison, Mississippi achieved ENERGY STAR certification in 2023. We are working to have additional buildings certified in 2024.
- In 2024, we expect to participate in the EPA's Green Power Partnership to purchase and use solar and wind energy within our distribution centers and manufacturing locations.
- We recently broke ground on a new building in Salt Lake City, Utah that will serve as our distribution center for the region. This building has been designed with energy-efficient features and is slated to be completed in 2025.

### Warehouse Automation: Maximizing "Sales Per Square Foot"

Over the past decade-plus, one of our key metrics has been increasing our product sales per square foot in our distribution centers. High-density automated storage and retrieval systems (ASRS) equipped with conveyors and robotic cranes have positively impacted this ratio by increasing throughput while optimizing space. For example, the ASRS installation in our Winona, Minnesota distribution center required a 42,000 square-foot facility expansion. If we had opted for traditional shelving instead of ASRS technology, the expansion would have had to be nearly four times larger to provide the same warehousing capacity.

Today, 11 of our 15 North American distribution centers are equipped with ASRS systems, and another installation is planned for 2025. These investments are allowing us to support our growing business with a more compact warehousing footprint and, in turn, less energy consumption.

### Evolving Our Branch Infrastructure

Over the last several years, we've been restructuring our United States branch model to be more customer-focused and space-efficient. This includes removing standardized (non-market-specific) inventory and using that square-footage to install high-density vertical shelving to



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support customer inventory needs. In select locations, we're also implementing "pick modules" to create a second floor of warehousing space, supporting thousands of additional products within the existing building. As a result of these strategies, we're gaining significant capacity across our branch network – room to grow the business and improve customer service without expanding our brick-and-mortar footprint and associated energy consumption.

#### *Onsite: Sharing Space, Saving Energy*

Perhaps the biggest driver of change to our local footprint has been the rapid adoption of our Onsite model. With this approach, we typically use available space within the customer's facility to provide dedicated staff and inventory for their operation. The environmental benefit is direct: By sharing space rather than operating out of a separate in-market location, we're consuming minimal additional energy and producing fewer additional emissions. We believe the model also allows us to play a more active and impactful role in helping the customer reduce supply chain waste – for example, by reducing emergency deliveries, wasteful consumption, and excess inventory.

While our total number of in-market operating units has increased gradually in recent years, the ratio of Onsite operations to branch locations has increased dramatically. This structural shift, coupled with our branch space optimization efforts, is making our local footprint increasingly space- and energy-efficient. We believe our traditional branch count will stabilize moving forward; however, we plan to continue to focus on adding Onsite operations as a primary growth strategy.

#### *ENERGY STAR Program*



Initiated in early 2021, our partnership with ENERGY STAR provides us with tools to benchmark our electricity and natural gas usage in all of our United States and Canada locations. In 2023, we completed more than 1,000 ENERGY STAR assessments for Fastenal locations larger than 5,000 square feet.

In late 2022, our distribution centers in Salt Lake City, Utah and Lacey, Washington became our first facilities to be certified as ENERGY STAR buildings. In 2023, those distribution centers were recertified, and they were joined by two newly-certified facilities – our distribution facility in Madison, Mississippi and our downtown office building in Winona, Minnesota.

In 2023, we began an ENERGY STAR Treasure Hunt program with all of our North American distribution centers and manufacturing facilities. The purpose was to assess where (and how much) energy is being used in each facility and to pursue energy savings opportunities through behavioral, operational, and maintenance actions. Our goal: a 10–15% reduction in energy use at each location in the first year of the program.

In 2023, we made improvements in more than 15% of our U.S. and Canada traditional branches based on ENERGY STAR recommendations. These improvements include programmable thermostats, more efficient thresholds on exterior doors, LED lighting, and energy management programs for HVAC optimization. In 2023, our EHS and sustainability



team worked with our branch teams to complete a total of 3,770 assessments, audits, and projects.

### *Reducing, Reusing & Recycling* *Sustainable Procurement & Material Consumption*

In 2023, we created a waste management program aimed at reducing our waste-to-landfill impact while generating direct cost savings. By profiling and tracking waste streams, we are able to identify opportunities to improve our carbon footprint through waste reduction activities. The objective of the program is to improve our waste diversion rate 10% annually compared to the baseline year of 2021.

### *Creating a Less Packaging-Intensive Distribution System*

As part of our automated storage and retrieval systems, our distribution centers utilize an estimated 115,000 reusable composite bulk bins and totes to store inventory and make deliveries to our in-market servicing locations, reducing the use of cardboard, wood, plastic, and other shipping/ packaging materials.

It's part of a larger trend in our business. Products supplied through Fastenal Managed Inventory (FMI) programs, which today represent a large and fast-growing share of our total sales, generally require less packaging than products provided through a traditional retail or direct-ship model. As our distribution system becomes increasingly "FMI-centric," we're working internally and with our manufacturing partners to reduce unnecessary packaging.

### *Waste & Recycling*

As an organization, we recycled roughly 16.4 million pounds of material in 2023. Our waste diversion rate increased from 70% in 2022 to 78% in 2023. The top performers in both years were our manufacturing facilities in Wallingford,

Connecticut and Winona, Minnesota, which in 2023 had waste diversion rates of 98% and 94%, respectively. (This was achieved in part by recycling oily wastewater and selling scrap metal that would otherwise end up in a landfill.) In late 2023, we began the journey toward zero waste certification for these facilities and we have a goal to achieve this certification in 2024.

### *Water Consumption & Natural Resources*

Although we believe our water consumption and risk exposure are low, we're taking steps to properly manage this critical resource. We comply with the United States Clean Water Act and relevant regulations in other countries where they apply to our operations – for example, in our management of storm water run-off, water permitting, and industrial waste water. In addition, we constantly work to reduce wasteful consumption of clean water. With regard to new location builds, we follow guidelines set by the World Wildlife Fund and Federal Emergency Management Agency to minimize our impact on areas with high water stress levels.

### *Environmental Risks & Opportunities*

Our North American distribution centers and manufacturing facilities have received third-party certification to the ISO 14001 standard. ISO 14001 specifies requirements for an

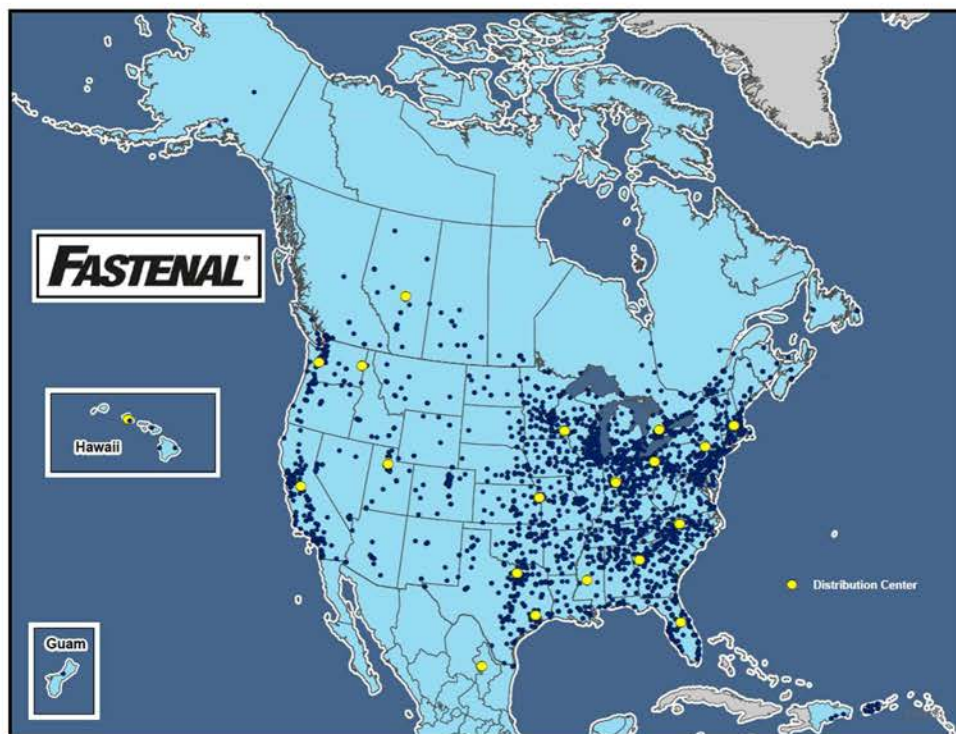


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environmental management system an organization can use to enhance its environmental performance through more efficient use of resources and reduction of waste and energy. To help us continue to perform at a high level and meet ISO 14001 requirements, we've partnered with two third-party firms, U.S. Compliance and EMI, which provide a variety of consulting and auditing services. We use risk assessments from these partners to identify areas of opportunity and consistently improve sustainability within our business operations. These assessments help us sustain environmental regulatory compliance in areas like air quality, the Clean Water Act, and the EPA's Resource Conservation and Recovery Act – all helping Fastenal maintain a low level of risk for the environment.

### Geographic Availability – Same Day Service

A key differentiator for Fastenal is our ability to cost-effectively operate local branches in not only major cities but also small towns and rural areas across North America, positioning dedicated service teams and customized inventory minutes away from the customers we serve. With our onsite service model, the distance can be shortened with Fastenal personnel and inventory situated within the walls of the Participating Entity's facility. As a result of these service models, we're able to offer same-day service in 3,200 local markets in the US and Canada.



For most major national industrial suppliers, next-day delivery isn't just the current best practice – it's the best they can possibly do. Having built their distribution systems to direct-ship orders from remote distribution centers, the product is simply too far away from most areas of the country to be transported any faster. For these transactional (eCommerce) suppliers, progressing from two-day service to next-day service was a matter of incremental improvement; taking the next step would require a totally different approach.



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At Fastenal, we understand that delivery speed is a function of distance – and that the shortest supply chain wins. So, while others have embraced a centralized direct-ship model (with a 'built-in' one-day lead time), we've never stopped working to de-centralize, providing faster, better service as we move ever closer to our customers.

**Economic Impact by State/Territory**

Our multiple distribution points not only provide service to NASPO ValuePoint Participating Entities, they also contribute to each of the local communities by paying local taxes, hiring local employees, experiencing the local business environment, and understanding the culture and MRO requirements unique to that area. Fastenal's total economic impact in the United States in 2023 reached nearly \$6.5 billion (included in this figure are taxes, licenses, fees, rent, utilities, and payroll), while in Canada it exceeded \$450 million.

Please see the table on the following page for details of Fastenal's presence and economic impact by state/territory:

State/Territory	*2023 Economic Impact*	**2023 Investment in Vending & Bin Stock Technology	***# of Locations	# of Employees
Alabama	\$44,176,266	\$422,700	74	220
Alaska	\$1,924,306	\$51,350	5	23
Arizona	\$49,080,796	\$670,500	17	88
Arkansas	\$26,632,510	\$319,950	60	195
California	\$376,655,835	\$3,697,550	228	1,044
Colorado	\$34,348,602	\$1,161,150	41	168
Connecticut	\$74,462,369	\$117,050	22	187
Delaware	\$7,417,923	\$60,500	6	36
Florida	\$123,157,423	\$2,615,400	131	565
Georgia	\$192,700,123	\$375,250	138	712
Guam	\$608,607	-	1	6
Hawaii	\$2,267,476	\$278,000	6	15
Idaho	\$7,314,767	\$104,900	19	69
Illinois	\$875,163,799	\$235,250	104	537
Indiana	\$231,505,864	\$1,281,950	126	1,298
Iowa	\$47,485,001	\$156,500	68	288
Kansas	\$78,532,398	\$583,350	66	644
Kentucky	\$109,607,632	\$280,000	76	239
Louisiana	\$17,524,253	\$279,650	41	150
Maine	\$7,125,700	\$65,250	14	46
Maryland	\$32,416,320	\$1,511,850	36	169
Massachusetts	\$80,450,902	\$260,750	41	145
Michigan	\$204,256,024	\$686,700	80	496
Minnesota	\$654,729,774	\$1,540,950	170	2,348
Mississippi	\$137,555,374	\$341,750	39	273
Missouri	\$101,475,218	\$1,749,050	89	317
<b>TOTAL</b>				

State/Territory	*2023 Economic Impact*	**2023 Investment in Vending & Bin Stock Technology	***# of Locations	# of Employees
Montana	\$4,875,690	\$223,250	12	45
Nebraska	\$15,762,236	\$357,350	26	133
Nevada	\$16,596,217	\$310,750	19	65
New Hampshire	\$17,509,101	\$82,750	18	59
New Jersey	\$162,133,015	\$326,900	32	119
New Mexico	\$3,352,029	\$8,000	13	40
New York	\$238,710,094	\$2,388,050	99	413
North Carolina	\$251,945,442	\$965,500	145	1,065
North Dakota	\$11,883,487	\$171,500	17	83
Ohio	\$335,732,376	\$2,954,000	167	993
Oklahoma	\$55,504,361	\$948,150	81	239
Oregon	\$20,268,943	\$838,750	44	115
Pennsylvania	\$318,912,201	\$682,400	149	883
Puerto Rico	\$6,000,172	-	19	47
Rhode Island	\$53,745,150	\$209,250	2	8
South Carolina	\$78,144,476	\$453,400	72	293
South Dakota	\$9,381,806	\$227,750	22	101
Tennessee	\$311,358,417	\$360,150	105	384
Texas	\$557,296,055	\$1,804,100	291	1,422
Utah	\$30,217,115	\$740,100	45	321
Vermont	\$4,457,911	\$52,250	8	34
Virginia	\$107,063,495	\$1,066,550	65	271
Washington	\$85,624,657	\$1,544,100	86	454
West Virginia	\$10,696,549	\$262,150	21	102
Wisconsin	\$227,837,246	\$1,054,000	139	812
Wyoming	\$3,438,909	\$76,250	12	45
<b>TOTAL</b>	<b>\$6,457,022,410</b>	<b>\$36,954,700</b>		

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State/Territory	*2023 Economic Impact*	**2023 Investment in Vending & Bin Stock Technology	***# of Locations	# of Employees
Alberta	\$28,003,540	\$62,750	35	200
British Columbia	\$25,441,121	\$43,350	35	139
Manitoba	\$5,343,661	\$13,750	10	38
New Brunswick	\$3,800,447	\$57,250	8	34
Newfoundland	\$1,601,196	\$0	5	13
<b>TOTAL</b>				

State/Territory	*2023 Economic Impact*	**2023 Investment in Vending & Bin Stock Technology	***# of Locations	# of Employees
Nova Scotia	\$3,560,099	\$122,050	7	26
Ontario	\$277,429,606	\$1,876,300	172	969
Prince Edward Island	\$1,056,275	\$0	2	8
Quebec	\$99,580,459	\$77,750	47	355
Saskatchewan	\$7,402,364	\$56,250	12	50
	<b>\$453,218,768</b>	<b>\$2,309,450</b>		

\*Economic Impact includes taxes, licenses, and fees; rent; utilities; and payroll.

\*\*Value of vending machines and bin stock assets


\*\*\*# of Locations includes branches, onsite programs, offices, distribution centers, manufacturing facilities, etc.

**eCommerce**

[Fastenal.com](http://Fastenal.com) / [Fastenal.ca](http://Fastenal.ca)

Fastenal.com is a state-of-the-art transactional website providing our users with visibility and access to:

- **Descriptions/Technical Information:** All products contain technical information in the form of product attributes, product descriptions, and detailed notes fields. This information can guide the user by the type of product or the specific application of the product. Many products contain CAD Drawings and “Product Standards” informational PDF sheets which contain technical data such as chemical, mechanical, and performance information. Where applicable, links to (M)SDS sheets are made available in the product detail page of the corresponding part. Additionally, the “Supply Chain” section shows availability at the local Fastenal branch. All products visible on fastenal.com can be sourced in various manners.



**24oz (17.6oz Net Fill) Clear 3M™ Hi-Strength 90 Spray Adhesive Aerosol**

Fastenal Part No. (SKU)

Manufacturer Part No.

UNSPSC

Manufacturer

**Product Attributes**

Container Size	24oz
Container Type	Aerosol
Net Fill	17.6oz
Color	Clear
Physical Form	Gas
Type	Spray Adhesive
Temperature	>210°F
VOC	<55%
Curing Time	1 min
Working Time	1 - 10 min
Chemical Base	Synthetic Elastomer
Application	Metal, Plastic, Wood
Specific Gravity	0.7260
Product Weight	17.64
UOM	each

**Notes**


The aerosol can is a portable, convenient, maintenance free-delivery system, where variable width actuator delivers a controlled lace spray pattern. This ability to control the spray helps minimize waste while placing an optimal amount of adhesive right where needed.

Its aggressive tack provides high initial grab and gives you sufficient open time to position materials properly. The effective spray pattern provides higher coverage with less waste than competing spray adhesives and helps you create a uniform bond. The combination of fast tack, strong bond, and clean appearance make it ideal for edge band and wood panel bonding.

- Finger-touch, targeted control ensures minimal overspray, waste, and cleanup
- Extreme high-strength and fast-tack adhesive provides strong permanent bond
- Ideal adhesive for decorative laminates, particleboard, and many other materials, even polyethylene, polypropylene, and SBR rubber
- 1 minute dry time for fast, extremely strong permanent results and high productivity
- Safe formula is CARB compliant and eligible for LEED credits

3M™ Hi-Strength 90 Spray Adhesive is our fast-drying, transparent spray adhesive that bonds on concrete, wood, MDF, laminates, polyethylene and more. Its extremely strong bond gives you fast results to keep projects moving forward. This Industrial grade formula is easy to dispense and apply directly to surfaces and materials and provides the added benefit of high heat and moisture resistance.


**Compliance**





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- Contract Price: NASPO ValuePoint Purchasing Entities can view contract pricing online when logged in with their branch account number. The pricing displayed allows the user to clearly identify their contracted pricing compared to wholesale.

**AA Cell Size ORMADUS® Alkaline Battery**

Fastenal Part No. (SKU) 0225010

UNSPSC 26111700

Manufacturer Fastenal Approved Vendor

Brand ORMADUS®

**Wholesale:** / package of 24

**Your Price:** / package of 24

**Unit Price:** / each

(Save % off wholesale)

QTY

- Order History: Purchasing Entities can view their history of orders placed online with Fastenal.com. Order history can be reordered and edited for future use and commonly ordered items can be saved into order templates for ease of re-ordering. In addition to Order History, users have the power of FAST 360° to review their spend and evaluate it by time period, category, and location. Users may search for items previously purchased and utilize the data to see where the product went and the price previously paid. (Please see section E. for additional information about FAST 360°).


**FAST360°** New Dashboard & Reports! Unmatched visibility & engineered insights all in one place.

Access to the tools needed for clear visibility of your Fastenal-managed inventory & spend!


The FAST360° dashboard has been enhanced to include a new set of tools, making it even easier to locate product and analyze activity. As you explore each new report, you'll find navigation tips and glossary of terms. To access, click the Information icon found next to the filters on the right side of each report.

Visit the Help page for more information.


**My Reports**




My Business




My Inventory




My Spend Detail




My Spend Summary




Open Invoice Status




Vending Overview



FMI Technology Savings



Cost Savings Summary



Cost Savings Projects Overview



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- Product Availability:** All standard parts display product availability information and an estimated delivery range. When a NASPO ValuePoint Purchasing Entity is logged into their branch account, inventory from that branch is visible on the “My Branch” tab so they can easily shop the items that are available for same day pickup or delivery. In addition to the product view on fastenal.com, FAST 360° provides our customers with unmatched visibility to inventory and purchasing habits from an all-in-one dashboard, right on Fastenal.com. With FAST 360°, customers can search by part number, description, or category to see if that product currently resides within the NASPO ValuePoint member’s stocking locations. Using My Inventory allows the member to analyze inventory provided by Fastenal and stocked within their facility as a means to identify efficiencies and cost savings opportunities.

**AA Cell Size ORMADUS® Alkaline Battery**

Fastenal Part No. (SKU)	0225010
UNSPSC	26111700

**Supply Chain**

Availability: ● In My Branch

In-Branch Pick-Up Free TODAY

Local Delivery TODAY

Direct Ship Ships TODAY

- Order Templates:** Order templates are easy to use and easy to create. Simply add items to your cart and save the cart for future use. Give an identity to the Custom Template by choosing a name and applying a description to the Template. Order Templates are user specific or can be shared among users under one Fastenal.com account.

**Order Templates**

An order template is a list of products you may save for ordering at any time. Think of it as a saved shopping cart. To create a new order template, fill your shopping cart with the desired items. From the shopping cart page, you may add those items to a new or existing template. All of your order templates appear on this page.

Results: 1 - 10 of 31 1 2 3 » Last

Filter

Template Name	Description	Last Modified	Action
1/2" Strap and Buckles	1/2" Strap and Buckles	2023-11-09	<span style="border: 1px solid gray; padding: 2px;">Add to Cart</span>
Cleaning Solutions	Contains cleaning solutions and tools.	2023-11-10	<span style="border: 1px solid gray; padding: 2px;">Add to Cart</span>
Miscellaneous		2023-11-10	<span style="border: 1px solid gray; padding: 2px;">Add to Cart</span>
building 3	building 3 template 2	2023-11-14	<span style="border: 1px solid gray; padding: 2px;">Add to Cart</span>



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- **eQuotes:** eQuotes are electronic quotes sent to a user from their Fastenal Sales Representative. This is a method of converting customer product requests, vendor managed inventory requests, or vending machine transactions into customer orders without having to enter or re-type data. A notification is sent via email to the user and the eQuote is sent to the user's Fastenal.com account. Participating Entities simply approve the eQuote and their local servicing branch will fulfill.

### eQuotes

Find Quote Number:

Branch Location:

Pending  Rejected  Approved

Reject Quote	Quote Number	Quote Date	Account Number	PO	Release/Job	Total	Status	Quote Actions
<input type="button" value="Reject"/>	122725	2024-04-29	NCLUM1135	206626		(USD) \$	Pending Approval	<input type="button" value="Add to Cart"/>
<input type="button" value="Reject"/>	115783	2024-04-26	WA0040004	MRO B-LINE - PARK		(USD) \$	Pending Approval	<input type="button" value="Add to Cart"/>
<input type="button" value="Reject"/>	115799	2024-04-26	WA0040004	EW CAGE	MRO 4/30	(USD) \$	Pending Approval	<input type="button" value="Add to Cart"/>
<input type="button" value="Reject"/>	122681	2024-04-25	NCLUM1135	206536	DIRECT	(USD) \$	Pending Approval	<input type="button" value="Add to Cart"/>

- **Order Status & Tracking:** NASPO ValuePoint Purchasing Entities can see the status of their orders at any time during the order process. The local branch can provide tracking information on branch-delivered parts and 3rd party tracking numbers are made available in status updates where applicable.

### Order History

Start Date:

End Date:

Account Number:

Cust. PO:

Order Date	Order #	Cust #	Cust PO	Cust Job	Total Price	Order Status	Order Placed By
29-Apr-2024	WFQ385OJLL9Y9	CAGOV0144			\$	Accepted	customer@customer.com
8-Apr-2024	W78W2J5RHX12U	CAGOV0144	3000022051		\$	Completed	customer@customer.com
4-Apr-2024	W5COAN0TA3CLQ	CAGOV0144	3000022051		\$	Completed	customer@customer.com

- **Catalog Restrictions:** Products or categories may be restricted from purchase. Restricted items will be displayed as restricted and the user is not allowed to purchase the items.



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**!** These SKUs are not in your custom catalog. Contact your local Fastenal branch for sourcing and availability.  
These SKUs must be removed before you can check out.

Qty	Image	Description
1 <small>Remove</small>		<p><b>!</b> Invalid Custom Catalog Part Black Leather Executive High-Back Swivel Task Aspect® Chair w/ Arms SKU: 0502879 <b>Manufacturer:</b> Fastenal Approved Vendor <b>Brand:</b> Aspect®</p> <p style="text-align: right;"><small>■ Winona, MN Branch: Available in 1-2 days</small></p>

- **Workflow Management Controls:** Spending limits can be set and managed for an unlimited number of users, approvers, or account administrators. Control spending by limiting users to a set budget over a flexible period of time and/or by limiting the size of individual orders. Any user can be set up to be an order requestor, an order approver, or an account administrator.

### New User Account

**Security Options:**

- Grant administrator privileges.
- Grant purchase request approval privileges.
- Grant access to view open balances.
- Grant access to maintain cross references for Product Search. ?
- Grant access to view Usage Reports.
- Grant access to view FAST360 - My Business.
- Grant access to view FAST360 - My Inventory.
- Grant access to view FAST360 - My Spend Summary.
- Grant access to view FAST360 - My Spend Detail.

**Purchasing Options:**

- Allow unlimited order amounts.
- This user may only request orders.
- Limit orders by amount / time.

USD \$

Per period of time

Days ▼

Per Order

- **User Profiles:** Fastenal.com offers user profiles and user hierarchy. Each user profile can manage and store account information such as shipping and billing locations, along with encrypted and secured procurement card information on a PCI Compliant website. In addition to storing card information, users can also store their favorite items in an order template or their frequently shipped to locations in My Addresses.





### NASPO ValuePoint eMarketPlace

At Fastenal, e-commerce brings us closer to the Entities we serve. In a marketplace where 24-to-48-hour fulfillment is the expectation for unplanned purchases, our branch network supports same-day or one-day service for tens of thousands of items (in thousands of markets). Our service within the Participating Entities' facilities allows us to digitize their inventory and spend in unique ways. And rather than being processed in a remote warehouse, e-commerce orders are handled by the local Fastenal customer service teams – people focused on the Participating Entity's satisfaction.

Fastenal supports more than 1,500 customized integrated e-commerce solutions, including solutions for current NASPO ValuePoint members. This includes electronic ordering and invoicing through EDI and cXML formats as well as integrated catalog functionality through punchout and hosted catalogs. Fastenal's in-house IT and EDI teams work in collaboration with our customers and 3rd party software providers to implement custom solutions to drive cost savings. We have a dedicated E-Commerce Solutions Team of more than 50 people focused on developing the best solution based on NASPO ValuePoint members' needs and system capabilities. We have more than 25 years of experience with e-commerce, interacting with tens of thousands of users annually and accounting for 23.6% of our \$7.3 billion in sales in 2023.

Fastenal previously participated in the NASPO ValuePoint eMarket Center. Once the new eMarketPlace is established, all orders placed through it will be fulfilled by our local branches. All Participating Entities will receive unmatched local service from their Fastenal representatives, along with an easy-to-use and feature-rich punchout catalog and electronic ordering platform.

#### *Notable Features of Fastenal's eMarketPlace Punchout Catalog Solution:*

- **eQuotes:** Whether for Fastenal Managed Inventory replenishments, lack of familiarity with what you need to order, or simply for convenience, eQuotes save Fastenal's customers substantial time by pre-populating orders for them directly in their punchout. With just five clicks, your order can be ready to go whether it's for 1, 100, or 1,000-plus lines.
- **Order Templates:** Allows you to save specific lists of items for quick and easy re-ordering.
- **Contract Pricing:** NASPO ValuePoint ordering entities can view their NASPO ValuePoint contract pricing through the punchout.
- **Product Availability:** We offer visibility and filtering of products by expected lead times, including real-time inventory levels for items in stock at your local branch.
- **Restrictions:** The punchout can be customized to restrict any product offering that is not authorized through the Master Agreement.
- **Product Detail:** Products contain photos as well as technical information in the form of product attributes, product descriptions, and detailed notes fields. This information can guide the user by the type of product or the specific application of the product. Many products contain CAD Drawings and "Product Standards" informational PDF sheets



which contain technical data such as chemical, mechanical, and performance information. Where applicable, links to (M)SDS sheets are made available.

### Emergency Response

Fastenal understands that the impact of a disaster is felt locally, and the response is best mobilized on the local and regional level. We believe our capability to bring a positive and quick response to a disaster is second to none. We have inventory, personnel, and our transportation network positioned to respond to each local market's need. Fastenal's response is not next day, it is same day.

To better understand what Fastenal brings to support each Participating Entity's emergency management plan, it's important to truly understand what Fastenal offers. With locations throughout the U.S. and Canada, we truly are where you are. Our network of branches is supported by 15 distribution centers strategically located across the U.S. and Canada. See "Geographic Availability" on page 18.

One thing that differentiates Fastenal within the industrial supply marketplace is that we own our transportation routes. Our branches are serviced by our own fleet of 800+ commercial motor vehicles, so we don't have to rely on 3rd party carriers during times of need. With our fleet of 8,300 delivery vehicles, investment in locations, and more than \$1.5 billion in available inventory spread across the globe, Fastenal can respond more quickly to the local market than any other distributor.

Fastenal's distribution network is the largest and most sophisticated of its kind in the industrial supply industry and, when coupled with local Fastenal employees, provides the customer with a valuable resource during times of need. Unlike traditional online distributors that rely only on Internet ordering and a limited physical presence, Fastenal integrates our Internet ordering capabilities with local personnel, buildings, vehicles, and product for immediate deployment. This combination has enabled us to effectively respond to emergencies such as hurricanes (including Irma, Harvey, and Sandy), tornadoes, wildfires, winter storms, and the COVID-19 pandemic.

Also critical to Fastenal's emergency response capability is the stability and breadth of our supply chain. In events like a pandemic, we have a process in place to allocate high-demand inventory to strategic partners. During the COVID-19 pandemic this was particularly evident as the demand for items such as PPE, masks, gloves, hand sanitizer, and more began to outstrip the availability. Early in the pandemic Fastenal began partnering with key manufacturers to evaluate availability and create a plan to continue servicing our contract customers. As the situation progressed, we prioritized supply of these essential items to critical industries such as healthcare and government while working with our manufacturer partners and other customers to identify any substitution opportunities that could be leveraged to free up vital inventory. These efforts were supported by Fastenal's deep, well established supply chain which includes quality labs and compliance teams located around the world, allowing us to assess and bring products to market (whether a new product from an existing supplier, or product from





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manufacturers outside of the existing supply chain) more quickly than the competition in a time of extreme need.

## Additional Services

### *Specialist Teams*

Participating Entity sites will be supported by our local sales/service teams. They will also have access to our nationwide teams of specialists, providing consultation and hands-on service ranging from site evaluations and trainings to category and project management.

Safety: To support our safety product offering, we've positioned 75+ trained Safety Consultants across North America and Europe. Their job is to identify hazards, document risk factors, garner worker feedback regarding PPE, and ultimately develop a business plan to reduce workplace incidents, increase regulatory compliance, and maximize productivity and profits. Working alongside our key safety suppliers, Fastenal's Safety Specialists have the ability to provide a variety of value-added services to our customers who choose to partner with Fastenal. The Safety team can provide consultative services to inspect current assets and provide trainings to Participating Entities, either directly from the Safety Specialist or through a third-party service provider.

Lean Six Sigma: Our Sensei, Black Belts and internally trained 'Blue Belts' are available to participate in Lean events and support your Lean initiatives. Services include Total Cost of Ownership Analysis – working with your personnel to map the movement of product through your current system and identify areas where costs can be reduced or eliminated. Based on the information gathered, a gap analysis is presented along with a business plan to achieve a specific cost savings goal. They also provide professional project management during program implementation, laying a foundation for sustainable success with minimal interruption. A dedicated project manager leads every step of the process – from gathering data and designing systems to physically implementing the Participating Entity's local programs.

Fastenal Managed Inventory Technology Personnel: This multidisciplinary team of more than 300 will customize, implement, maintain, and continuously optimize the Participating Entities'



### PPE Recovery Program

In late 2023, we piloted a PPE recovery program in partnership with Wastebits as a complement to our PPE recycling programs. We help establish a simple workflow for customers to turn non-recyclable PPE waste into usable energy at an approved waste-to-energy facility. This process reduces the amount of material entering landfills and recovers energy to generate electricity or directly heat buildings. The EPA reports that for every ton of municipal solid waste processed at approved waste-to-energy facilities, emissions of greenhouse gases can be reduced by as much as one ton. The PPE recovery program has recently been launched and is now available across the US. Accepted PPE includes: nitrile, rubber, and cotton gloves; safety glasses; earplugs; beard covers and hair nets; disposable garments, vests, sleeves; boot covers; disposable masks; and plastic packaging of qualifying PPE.



Fastenal automated supply programs. This includes assisting with program design, implementation, operation (support, training, and maintenance), and optimization to ensure our program is making a positive impact for the Participating Entity.

### *Manufacturing and Industrial Services*

A key aspect of our service is an in-house ability to make, modify, and maintain products geared specifically to our customers' operations. Whether it's a reverse-engineered replacement part to keep critical equipment running, or a custom lifting and rigging program tailored to local project needs, we craft solutions as unique as each organization we partner with. Additional services not listed here may be provided based on the needs of the Participating Entities.

- **Tool Repair:** Fastenal repairs electric (corded & cordless), pneumatic, powder-actuated, and hydraulic tools, including nailers, hand pumps, and pipe threaders. We offer convenient pick-up and delivery, a 90-day warranty on all tool repairs, and fast turnaround times for tools commonly stocked at Fastenal branches.
- **Hoist Repair & Certification:** We repair manual, electric, lever, and pneumatic chain hoists as well as cable pullers up to 20 tons, with convenient pick-up and delivery and a 90-day warranty on all hoist repairs. We can also re-certify hoists and pullers in compliance with OSHA regulations.
- **Lifting & Rigging Inspection:** Fastenal's Certified Inspection Team performs inspections and provides trainings set by the standards written in OSHA1910.179 & 184, ASME B30.2-10-11-17-21&26, CMMA Specification 70,74, & 78. Our teams of inspectors and trainers are certified through the Crane Institute of America and have gone through a rigorous training schedule on the principles and proper use of Lifting and Rigging equipment.
- **Calibration & Repair:** Fastenal's A2LA Accredited Lab offers the highest quality calibration and repair services for most precision measuring devices. Fastenal's A2LA Accredited Calibration Lab manages over 23,000 measuring devices internally across the globe for our manufacturing centers, testing labs, and numerous branch locations. Fastenal fully understands the importance of proper calibration and traceability and has the experience necessary to meet these demands.
- **Hose Fabrication:** Our factory authorized service centers can cut, assemble, crimp, test and label virtually any type, quantity or length of hose.
- **Weld-to-Length Bandsaw Blades:** With more than 40,000 different types, styles and lengths of bandsaw blades to choose from, Fastenal has the right blade for most applications – whether you're cutting aluminum, carbon steels or exotics; in single pieces, stacked or bundled.
- **Tool & Cutter Grinding:** Fastenal's Tool & Cutter Grinding division specializes in sharpening and reconditioning worn cutting tools. Utilizing the latest CNC and manual equipment from manufacturers like ANCA, UTMA and Hybco, our experienced machinists can sharpen cutting tools to like-new condition, for a fraction of the cost of buying new products. In addition to our re-sharpening and re-grinding services, we also manufacture specialized tooling, including step drills and made-to-print cutters.
- **Custom Logo Safety Gear:** Fastenal makes it easy and efficient to add a logo to a variety of work garments – a powerful way to reduce loss, instill pride, and shine a



spotlight on the great work your people do in the field. Fastenal can handle Participating Entities' custom logo needs and make products easily accessible to local employees.

- **Safety Services:** Safety services and assessments are available in areas such as fall protection; gas detection; ladders; hearing conservation; lifting & rigging; and respiratory protection.
- **Custom Manufacturing:** At Fastenal Manufacturing, we don't make the common fasteners found on the local Fastenal branch shelf — We Make the Unavailable Part Available<sup>SM</sup>. That includes everything from complex machined parts and high-volume production fasteners to large-diameter bolts and complete stud assemblies. Through our eight global manufacturing locations, we produce more than 70,000 jobs per year — each one a solution for a customer in need.

## B. Company Information

1. **Company History.** Provide a brief history of your company, including the year of its founding and any material acquisitions or mergers in which it has been involved.

The Fastenal story began in November 1967 when the first Fastenal branch was opened in Winona, MN. Since our founding, Fastenal has grown almost entirely organically from that single branch in Winona to North America's largest fastener distributor and one of the world's most efficient distributors of industrial and construction supplies.

Organizations partner with Fastenal to simplify and secure the supply chain for a vast range of industrial products. By executing daily needs and optimizing supply chain performance, we help our business partners create more value, more efficiently. Our mission is to help the innovators of the world achieve supply chain excellence by engaging locally, scaling globally, and serving relentlessly.

Fastenal's commitment to invest in our customers – in terms of human capital, inventory, technology, value-added services, and end-to-end supply chain management – makes us more than just another place to buy supplies. We help them operate more efficiently, gain a competitive edge, and make industrial supplies part of their culture of excellence. Our approach is guided by our corporate values which are woven into the fabric of our company – serving as guideposts for employees throughout the organization.

- **Ambition:** A determined, energetic work ethic
- **Innovation:** The ability to repeatedly bring ideas, modifications, improvements to business and personal practices
- **Integrity:** Fair, respectful, and moral behavior in all situations
- **Teamwork:** Coordination of talented individuals whose focus is to achieve a common goal



2. **Company Size.** Identify the number of employees working for your company.

Fastenal Company has 20,600 employees and 3,200 in-market locations in North America (23,201 employees globally at our 3,400+ in-market locations). This local footprint positions us to support each Participating Entity with a dedicated customer service team, tailored in-market inventory, last-mile delivery (via Fastenal trucks), and custom Fastenal-managed inventory programs. The impact is direct. When we locally stock your product needs, that's inventory you don't have to carry. When we efficiently manage your MRO supply chain, that's time and energy you can focus on core activities.

Fastenal holds \$1.5 billion in inventory company-wide, sold 1.7 million+ SKUs in 2023, and has 7,500+ corporately approved suppliers, category experts – including a product development team of 60+, and in-house resources to source, develop, and ability manufacture products to meet the needs of specific customers.

Fastenal's growth is fueled by reinvested earnings, enabling us to aggressively invest in innovation, infrastructure, and resources that make a difference for NASPO ValuePoint members. With a proven business model and consistent market share gains vs. national competitors, we aren't going anywhere except closer to the NASPO ValuePoint Participating Entities.

3. **Ownership Structure.** Describe your company's ownership structure.

Fastenal Company is a publicly held corporation (NASDAQ Ticker Symbol: FAST).

4. **Litigation.** List all claims of non-performance or breach from customers in excess of \$5,000, including all pending litigation matters (including civil, criminal, or appellate) or criminal convictions in the past 5 years for the company and all principals. Attach an additional document if necessary.

Materion Corp. vs. Fastenal Company: Fastenal was served with a Summons and Complaint in February 2022 filed by a former customer named Materion Corporation in Ohio. The Complaint alleged a breach of contract, which Fastenal vehemently denied. Fastenal filed a counterclaim concerning past due invoices. The parties reached an amicable settlement in October 2022.

5. Any additional information about the Offeror's company that could pertain to this RFP, if applicable.

Supplier Diversity

The goal of Fastenal's supplier diversity program is to help our business partners increase purchases with small, local, and diverse businesses. We do this by creating close, long term supplier relationships that strengthen our supply chain and communities.

Our Supplier Diversity team will review qualified suppliers and assist to match your company's needs to the capabilities by providing the following:

- Potential early involvement in the design and establishment of goals
- Realistic and understandable expectations



- Accurate forecasting of our anticipated needs and timely distribution of pertinent information
- Detailed Tier II usage reports including the following certifications:
  - HUBZone
  - Minority-Owned Business
  - Woman-Owned Business
  - Veteran-Owned Business
  - Service Disabled-Veteran Owned Business
  - Small Business
  - Small Disadvantaged Business

### *Reseller Program*

Fastenal's Supply Chain Diversity program establishes strategic alliances with small businesses serving as authorized channels of distribution for Fastenal's products and services. Fastenal's Reseller Consortium features strategic partners with a wide range of manufacturing, distribution and service capabilities as well as a full complement of supplier diversity certifications.

The full line of Fastenal's fasteners and industrial supplies are available for purchase from our authorized resellers. Some resellers are stocking distributors; others are service providers with agreements for Fastenal to provide logistics and distribution services in support of their customers' requirements. All authorized resellers are the vendor of record, responsible for contract negotiations, pricing, invoicing, accounts receivable management, e-procurement solutions and customer service.

### Quality Assurance

Quality is deeply rooted in our company DNA. We were founded by a mechanical engineer in 1967, were among the first in the industry to implement full product traceability (years before the Fastener Quality Act), have been ISO quality registered since 1994, and received our first A2LA lab accreditation in 1998. Today our tradition of quality continues with industry-leading systems that encompass the following concepts and resources:

- ISO 9001:2015 Certification by TUV Rheinland of North America
- Unmatched Product Expertise
- Global Personnel and Infrastructure
- State-of-the-Art Testing Labs
- Stringent Supplier Selection, Testing, and Monitoring
- Customer-Specific Quality Management Systems
- Material Test Reports
- Fastenal Product Standards

### Total Cost of Ownership Reduction

For Participating Entities who are looking to make their supply process more efficient and agile, Fastenal's Lean team can help. Drawing on decades of experience with thousands of industrial, construction, and government clients, our Lean Solutions team specializes in



crafting and implementing systems to drive improvements in working capital, productivity, and total cost of ownership (TCO).

Our approach, based on Lean principles, begins with a site assessment or TCO Analysis consultation. We collaborate with the Entity's key supply chain stakeholders to understand the nuances of their operation, identify sources of waste in the current process, and craft a solution to achieve the desired future state. In addition to providing initial consultation and solution design, our experts will physically implement the program on site and periodically audit the site to drive continuous improvement. Benefits provided by this process include:

- **Total Cost of Ownership:** Taking a 360-degree approach to reduce expenditures through vendor consolidation, consumption controls, SKU rationalization, product substitutions, and reductions in inventory, labor, freight, and purchase orders.
- **Productivity:** Using strategies like just-in-time inventory, vendor-managed inventory (VMI), point-of-use delivery, parts kitting, and supply automation (e.g., vending or automated bins) to keep employees focused on value-adding activities.
- **Visibility:** Leveraging Fastenal's point-of-use solutions to provide relevant reporting, Entities can utilize the FAST 360° reporting dashboard to analyze purchasing/usage trends and visualize their Fastenal-managed inventory on hand (down to the specific vending or bin location).
- **Inventory:** Implementing systems to confidently reduce on-hand inventory while identifying and drawing down obsolete/redundant assets. Options include an onsite/integrated model, providing Fastenal-owned inventory and dedicated experts to shoulder the burden of inventory ownership and management.

### C. Customer Service

1. How will the Offeror service a Participating Entity's account if awarded? Does each representative have access to the Participating Entity's account information to best help them?

Fastenal's Contract Management System drives compliance to the Fastenal branch point-of-sale (POS) system. A signed and executed Participating Addendum will be required that clearly identifies eligible members before any branch account is linked to the contract. The function of linking branch accounts to the Contract Management System is to establish the relationship between the member's account at the branch and the terms, conditions, and pricing of the contract (it also ensures that all accounts are tracked for sales reports that drive rebates, fees, growth incentives, and additional discount administration).

Account Information: Irrespective of the customer service channel used, all representatives servicing the Participating Entities have access to the Entity's account information via Fastenal's point-of-sale system.

Local Branches and Onsite Service: NASPO ValuePoint Participating Entities are serviced by a local Fastenal branch team that is dedicated to their satisfaction. With 71% of our employees directly serving our customers, Fastenal's level of support and accountability is unparalleled among industrial supply distributors. Fastenal customers rely on their direct relationship with local personnel who can solve problems, provide on-site/on-call service, and support their needs. This is



what sets Fastenal apart in the eyes of our customers – knowing that their dedicated salesperson will be stopping by to assist with:

- Product requisition
- Billing/lead time questions
- Answering sourcing questions
- Providing local insight into supply chain solutions
- Demonstrations, promotions, training, product applications, new item introductions
- Warranty and returns
- Sustainability and recycling programs

Government-Specific Branches: No matter where a Participating Entity is located – from a remote rural area to a major metropolis – they benefit from a local relationship backed by corporate support and a national distribution network. Taking government-focused support to the next level, Fastenal has established government-specific branch locations across the country. These branches are situated in major metro locations to provide centralized support to government agencies.

NASPO ValuePoint Customer Service Center: Fastenal's Customer Service Center includes dedicated NASPO ValuePoint customer service representatives. This team can be contacted at (833) 790-9932 and via email at [nasposupport@fastenal.com](mailto:nasposupport@fastenal.com).

eCommerce Support: eCommerce Sales Specialists are responsible for leveraging our eProcurement tools to drive productivity and efficiencies while illuminating Participating Entities' supply chain. They develop field and customer trainings in order to implement best digital practices within process and workflow.

Government Sales Department: NASPO ValuePoint Participating Entities will continue to be supported by Fastenal Government Sales Specialists whose focus are strictly State agencies and political subdivisions. This includes specialists in the areas of State and local government as well as education and healthcare.

These specialists work directly with agencies and Fastenal branches to:

- support contract best practice, compliance, and training (including customer and employee training)
- develop custom market baskets and additional discounts within agencies
- support FMI Technology implementation
- respond to disasters
- resolve issues perform quarterly business reviews (QBR) and ensure overall customer satisfaction

Emergency Support: Fastenal's distribution network is the largest and most sophisticated of its kind in the industrial supply industry and, when coupled with local Fastenal employees, provides the customer with a valuable resource during times of need. Unlike traditional online distributors that rely only on Internet ordering and a limited physical presence, Fastenal integrates our Internet ordering capabilities with local personnel, buildings, vehicles, and product for immediate deployment. This combination has enabled us to effectively respond to emergencies such as



hurricanes (including Ian, Irma, Harvey, and Sandy), tornadoes, wildfires, winter storms, and the COVID-19 pandemic.

2. Hours of operation if help is available via phone, a chat function online, etc. 8:00 am to 5:00 PM in EACH time zone would be preferred. Including an emergency contact with phone, email etc. of whom to contact after hours. Include in the response if the Offeror has a dedicated phone line or staffing for government sales.

Support is available from both the local branch and a dedicated NASPO ValuePoint support team from 7:30 a.m. to 5 p.m. in every time zone.

- Fastenal Branch: Addresses, phone numbers, and email addresses are available under My Branch on Fastenal.com
- NASPO ValuePoint Customer Service Team
  - Business Hours: (833) 790-9932, [nasposupport@fastenal.com](mailto:nasposupport@fastenal.com)
  - After Hours/Emergency Support: (833) 790-9932, [blueteamresponds@fastenal.com](mailto:blueteamresponds@fastenal.com)

3. Describe how Customer Service can assist a Purchasing Entity with finding sustainable and/or other products.

### **Customer Service Assistance with Finding Sustainable Products & Solutions**

Within the point-of-sale (POS) system at the servicing branch, customer service representatives can assist Participating Entities in finding approximately 52,700 green products, including certified product as well as environmentally preferable products (EPP). Additionally, customer service representatives can support Purchasing Entities by training users on searching for environmentally preferred products on Fastenal.com, creating order templates, and/or designing FMI Technology planograms to include EPP/sustainable products. Please see Attachment 02 for screenshots and detail on how Participating Entities can search green and EPP products on Fastenal.com.

Additionally, the NASPO ValuePoint Customer Service Team is available at (833) 790-9932 and they can also identify sustainable products and assist in training as needed.

### Sustainability Solutions

Fastenal partners with suppliers, manufacturers, and industry-leading service providers to offer turnkey sustainability solutions. These solutions are part of a continuous improvement plan to (1) develop and implement strategic initiatives, (2) drive innovation in environmental practices, and (3) work cross-functionally to achieve long-term sustainability improvements. Our supplier/third-party programs are complemented by many of the core services and solutions we offer to help customers become more resource-efficient across the value chain.





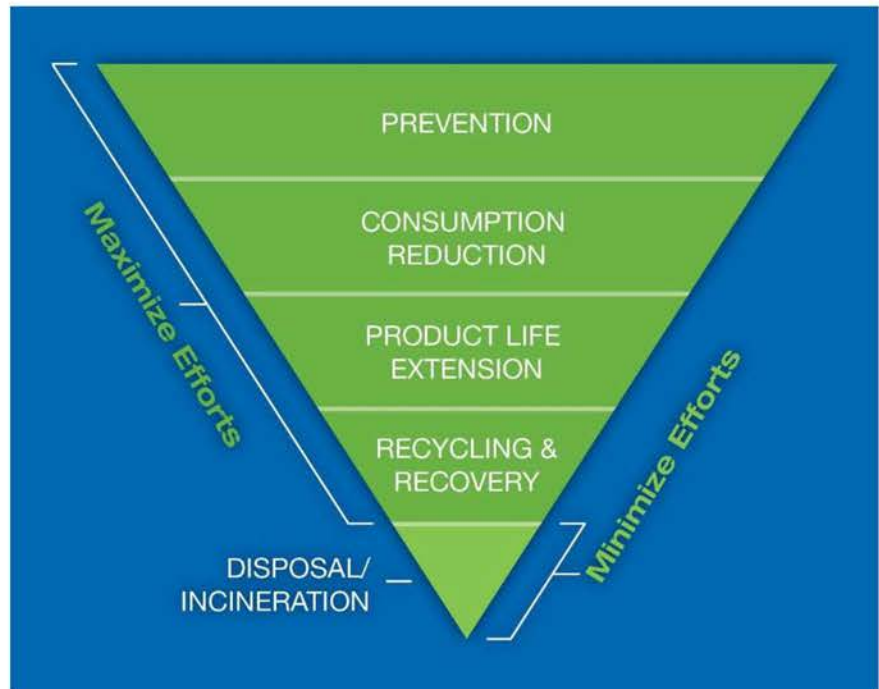
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### *A Total Lifecycle Approach*

Recycling is often the first topic that comes up in discussions about sustainability, but it's really the last step in a comprehensive program. Fastenal helps our customers understand the full picture – the upstream impacts (suppliers) and downstream impacts (waste generation) that can be attributed to products in environmental product declarations (EPDs).

Reflecting this cradle-to-grave perspective, our Sustainability Solutions span four broad areas: prevention, consumption reduction, product life extension, and recycling & recovery. It starts

by consulting with the customer, understanding their unique needs and goals, and presenting a set of solutions to help them operate more efficiently and sustainably.



**PREVENTION:** Supporting sustainable procurement, energy efficiency projects, and process efficiencies in manufacturing and metalworking.

- **Green & Energy-Efficient Products Program:** As described above, Fastenal offers approximately 52,700 green products, including certified green products as well as environmentally preferable products within our standard eCommerce catalog. We have identified that these products (1) reduce negative effects on human health and the environment compared to competing products and/or (2) promote sustainability through resource conservation, end-of-life waste management, and life-cycle analysis. In addition to managing our green product program, Fastenal's compliance specialists assist customers with goal creation, sourcing, and custom reporting in support of their sustainable procurement initiatives.
- **Category Management:** Assisting customers with category management is central to our value proposition as both a strategic supplier and a sustainability solutions provider. It involves analyzing the products used throughout the customer's operations, often on a global scale, and looking for opportunities to streamline the supply chain by (1) standardizing part numbers, (2) Rationalizing overlapping SKUs (items with the same fit, form, and function but sourced from different factories), and (3) switching to alternatives that provide greater lifetime value, which often means longer-lasting items with a reduced environmental impact.

From there, we can dig deeper for additional environmental benefits. Is there a green product alternative that meets the application need? Can it be supplied through a Fastenal



vending program to reduce packaging and consumption? Can it also be included in a recycling program to create a circular economy?

A prime area of opportunity is the safety/PPE product category, which is well supported by our green product program, our FMI Technology program, and our third-party recycling and recovery programs. The driving force is our safety specialist team – highly-trained, broadly experienced EHS experts who point our customers to the best product solutions to balance their needs for safety, sustainability, compliance, and cost. We also offer high-level product and application expertise to support the metalworking and fastener categories.

- **Metalworking Program:** Some of the products we supply are highly technical in nature, requiring specialized expertise for us to serve as a solutions provider for the customer. A prime example: metalworking products, particularly the high-precision cutting tools manufacturers use to fabricate metal components.
- **Engineering Program:** We also support manufacturers with a global team of engineers who specialize in the science surrounding fasteners and fastening applications. In addition to reviewing prints, assisting with technical questions, and conducting trainings, these professionals work with customers' engineering teams during the design stage to optimize how fasteners are incorporated into the product. They also provide expert consultation and custom testing for safety-critical applications.

**CONSUMPTION REDUCTION:** Streamlining supply chain steps, visualizing usage, controlling consumption.

- **Total Cost of Ownership (TCO) Analysis:** In order to make data-driven recommendations for process improvements, our Lean Solutions team routinely conducts TCO Analysis (TCOA) exercises at customer facilities to analyze how they purchase, move, stock, and access products. Historically, these studies reveal an opportunity to reduce the TCO for in-scope products by an average of 21%\* by using our solutions.

Those are dollar savings, not emissions savings, but we believe there are also intrinsic green benefits. For example, our inventory management services present an opportunity for customers to reduce their inventory carrying cost (a reflection of how much inventory is stocked in their facilities) by an average of 39%. This represents direct resource reduction. It also frees up productive space in the customer's building, forestalling the need for expansion (and accompanying resource consumption). Consolidating the number of vendors (by 56%\* on average) leads to fewer and larger shipments, which can reduce the use of fuel and packaging material. Perhaps the most direct impact is driven by our FMI Technology solutions which provide controls and reporting tools to help customers reduce consumption and upstream transportation.

- **FMI Technology:** Industrial supplies are traditionally a "blind spot" for entities who use them. Limited visibility to basic information – what product is stocked in the facilities, where it's located, how it's being used – leads to various forms of waste, from over-buying and obsolete inventory to stock outages and inefficient rush deliveries.

Through the development of our FMI (Fastenal Managed Inventory) Technology program over the past 15 years, Fastenal has emerged as the global leader in technologies that take industrial supplies out of the shadows and into a transparent, planned environment. This



includes the mass deployment of devices that allow organizations to digitally monitor, track, and control wide-ranging products, typically driving a significant and sustained reduction in consumption.

The devices produce upstream benefits as well. With digital visibility to stocking levels and usage patterns within customer facilities, Fastenal teams are able to remotely monitor customers' inventory, make proactive adjustments in the supply chain, and become much more efficient in our operations.

**PRODUCT LIFE EXTENSION:** Maximizing product life through maintenance, repairs, and remanufacturing.

- **Tool Repair:** Fastenal's eight North American tool repair service centers provide authorized warranty repairs for 35 major tool brands and are able to work on more than 750 brands of tools in all. This resource, combined with our local service and transportation network, allows customers to meet their tool repair needs through a single efficient source, and to do so through a process that largely overlaps our existing service activities and truck routes.

Rather than having to transport products to multiple service providers, the customer places any broken tools in a (reusable) Fastenal tote or FMI Technology compartment. The customer's local Fastenal representative collects the tools during a regular service visit and ships them to our nearest service center via a regular Fastenal truck route. Our factory-trained technicians perform all repairs deemed cost-effective, and tools found to be past their economical repair lifespan are broken down to be reclaimed or recycled. Up to 95% of a tool's materials can be diverted from the waste stream, and we offer reporting for customers to document their contribution to waste diversion through the program.

- **Tool & Cutter Grinding:** The goal of this service is to help manufacturers reduce waste by optimizing the performance and service life of their cutting tools. The customer's worn cutting tools are transported to a Fastenal manufacturing facility, where our machinists sharpen them to like-new condition. This service reduces the amount of waste generated and can be provided in conjunction with a recycling program, further contributing to the customer's sustainability goals.

**RECYCLING & RECOVERY:** Diverting waste from landfills to create usable products or energy

- **Recycling & Recovery Programs:** Fastenal partners with key suppliers and recycling services to help customers integrate waste stream solutions into their work processes. This includes (but is not limited to) recycling programs for the following materials:
  - Batteries
  - Breakroom Supplies
  - Carbide Metalworking Products
  - Cardboard
  - Electronics
  - Flashlights
  - Janitorial/Sanitization Supplies
  - Lighting
  - Medical/Dental
  - Office Supplies



- Packaging & Shipping Materials
- Safety/PPE

In addition to the recycling options described above, in late 2023, we piloted a PPE recovery program in partnership with Wastebits as a complement to our PPE recycling programs. We help establish a simple workflow for customers to turn non-recyclable PPE waste into usable energy at an approved waste-to-energy facility. This process reduces the amount of material entering landfills and recovers energy to generate electricity or directly heat buildings. The EPA reports that for every ton of municipal solid waste processed at approved waste-to-energy facilities, emissions of greenhouse gases can be reduced by as much as one ton.

The PPE recovery program has recently been launched and is now available across the US. Accepted PPE includes: nitrile, rubber, and cotton gloves; safety glasses; earplugs; beard covers and hair nets; disposable garments, vests, sleeves; boot covers; disposable masks; and plastic packaging of qualifying PPE.

### **Customer Service Support for Product Needs**

A key differentiator for Fastenal is the fact that 71% of our employees are engaged in customer support through our extensive branch network. Participating Entities may contact customer service representatives at our branches during normal business hours. Additionally, customer service representatives make regular visits to customer locations to provide service and support as needed.

4. Describe the Offeror's quality assurance measures for both orders and any other customer service-related quality assurance measures.

#### Customer Service Quality Assurance & Customer Satisfaction

Participating Entities can rest assured that when they need support, whether regarding a routine order or in an emergency situation, Fastenal personnel are just minutes away and ready to assist. This includes multiple levels of support across departments, providing a breadth of resources and knowledge.

Local personnel will be assigned to service each site, handling day-to-day orders, inventory management, and more. These representatives will be front-line support for Participating Entities. Because orders are processed through the local branches rather than a fulfillment center hundreds of miles away, orders are reviewed by your account representatives, ensuring orders are correct prior to delivery.

Fastenal conducts regular customer satisfaction surveys across the business and holds focus groups at a variety of customer events. Additionally, we monitor and respond to all feedback provided through digital platforms (including social media and our website).

#### Supplier Quality Assurance

Supplier quality is monitored through the use of random product inspections, supplier scorecards, and quarterly meetings. Every supplier is monitored with a different level of scrutiny based on their past performance, how much we spend with them, and how critical the parts we're purchasing are. Each supplier will be reviewed a minimum of every three years. Based on performance, an on-site



audit or desk audit may be performed.

Additionally, supplier performance is governed by our supplier code of conduct and performance is reviewed by QC, Purchasing, and Product Managers during quarterly review meetings. Topics including non-conforming parts, Fastenal lab random supplier test results (top suppliers), product alerts and recalls, SCARs issued, supplier scorecards (quality, service, and OTD), upcoming audits due, removing vendors from approved status or reverting them back from A to B status, etc. are all discussed during these meetings.

### Supply Chain Quality Assurance

Below are some of the distribution performance metrics that distinguish Fastenal in the marketplace:

- 80% of all customer transactions are for products stocked in the local branch or available at a regional distribution center, representing either same-day or 24-to-48-hour fulfillment.
- If a standard product is not already in stock at your local branch, we can usually get it there on our own trucks before the next business day begins. 80% of branch deliveries via Fastenal trucks from our distribution centers arrive before 8 a.m. on scheduled truck days.
- Fastenal's branches and distribution centers carry more than a billion dollars in inventory in order to provide fast delivery for local customers.

5. If there is an issue with an order placed or any other customer service issue, how are those addressed?

Any customer concerns are first handled at the local branch level or may also be addressed to the NASPO ValuePoint Customer Service Center at (833) 790-9932 or via email at:

[nasposupport@fastenal.com](mailto:nasposupport@fastenal.com). Customer Service Center personnel have access to account information and can work to help resolve issues that may arise. Concerns are escalated as necessary to the District Manager or Government Sales Manager. When appropriate, a corrective action form is used to ensure that the problem has been resolved to the customer's satisfaction.

6. Describe Offeror's ~~return~~ **substitution** policy that would apply if awarded a Master Agreement. Forced substitutions will not be allowed. Explain how the Offeror notifies customers of an out- of-stock item(s) including if Offeror notifies customers about how the equivalent item compares to the out-of-stock item.

Fastenal will not conduct forced substitutions. The local servicing branch will work directly with the Purchasing Entity to identify possible equivalent substitutions which will satisfy their needs. Substituted items will always be provided only with the Participating Entity's approval.

For back-ordered or out-of-stock items, the Purchasing Entity will be notified by their local Fastenal branch. The local branch has first-hand information as to when the back-ordered item can be delivered, what items are available immediately should the Purchasing Entity wish to consider a substitute, as well as all technical information about the proposed substitution.



7. Describe the Offeror's online ordering system that Purchasing Entities would use to create a profile, place orders, track orders and other functions the system could have. If there are other ways to order Products, indicate that as well including connecting to eProcurement systems.

Online Ordering System: Fastenal's website at [www.fastenal.com](http://www.fastenal.com) (or [www.fastenal.ca](http://www.fastenal.ca) in Canada) gives users access to more than 731,000 products. When logged in with their Fastenal account number, Participating Entities can view contract specific pricing along with clear product availability information. Our site has the full capability to save addresses, payment information, and order history at a user level. User management tools and FAST360° allow for unprecedented visibility and transparency into your relationship with Fastenal, while also allowing for control of online spend when necessary.

Superior online ordering capabilities include:

- **Product Search**: Products can be searched by using product categories; descriptions; key words; manufactures; manufacturer part numbers; industry part numbers; competitor part numbers; customer-specific part numbers; environmentally preferred products. All results can be narrowed down using attribute refinements.
- **Custom Order Templates**: Order templates are easy to use and easy to create. Simply add items to your cart and save the cart for future use. Give an identity to the Custom Template by choosing a name and applying a description to the Template. Order Templates are user specific or can be shared among users under one Fastenal.com account.
- **Electronic Quotes (eQuotes)**: eQuotes are electronic quotes sent to a user from their Fastenal Sales Representative. This is a method of converting customer product requests, vendor managed inventory requests, or vending machine transactions into customer orders without having to enter or re-type data. A notification is sent via email to the user and the eQuote is sent to the user's Fastenal.com account. Approve the eQuote and your local servicing branch will fulfill.
- **Fast Order Pad**: Quickly add items to shopping cart by entering part number and quantity.
- **File Upload**: Import an excel spreadsheet list of part numbers and quantities into the shopping cart.
- **Order Status & Tracking**: NASPO ValuePoint Purchasing Entities can see the status of their orders at any time during the order process. The local branch can provide tracking information on branch-delivered parts and 3rd party tracking numbers are made available in status updates where applicable.
- **Workflow Management Controls**: Spending limits can be set and managed for an unlimited number of users, approvers, or account administrators. Control spending by limiting users to a set budget over a flexible period of time and/or by limiting the size of individual orders. Any user can be set up to be an order requestor, an order approver, or an account administrator.
- **User Profiles**: Fastenal.com offers user profiles and user hierarchy. Each user profile can manage and store account information such as shipping and billing locations, along with encrypted and secured procurement card information on a PCI Compliant website.



In addition to storing card information, users can also store their favorite items in an order template or their frequently shipped to locations in My Addresses.

#### *NASPO ValuePoint eMarketPlace*

Fastenal supports more than 1,500 customized integrated e-commerce solutions, including solutions for current NASPO ValuePoint members. This includes electronic ordering and invoicing through EDI and cXML formats as well as integrated catalog functionality through punchout and hosted catalogs.

Fastenal previously participated in the NASPO ValuePoint eMarket Center. Once the new eMarketPlace is established, all orders placed through it will be fulfilled by our local branches. All Participating Entities will receive unmatched local service from their Fastenal representatives, along with an easy-to-use and feature-rich punchout catalog and electronic ordering platform.

#### **Other Ways to Procure Product**

One of Fastenal's key differentiators in the industrial supply distribution marketplace is the number of options we offer for order placement. In addition to the online ordering system as described above, below is a look at the various ways NASPO ValuePoint Purchasing Entities can order from Fastenal:

NASPO ValuePoint Customer Service Center: Fastenal's Customer Service Center includes dedicated NASPO ValuePoint customer service representatives. The Customer Service Center can be contacted at (833) 790-9932 or via email at: [nasposupport@fastenal.com](mailto:nasposupport@fastenal.com).

Walk-In/Walk-Out at the Local Fastenal Branch: With more than 3,200 in-market locations, we are where you are. (See section A for an overview of U.S. and Canada locations by state/territory). NASPO ValuePoint Purchasing Entities can order items by walking into the local branch, calling the branch, or emailing their order. Local branches are typically open during normal business hours of 7:30 a.m. to 5:00 p.m. local time, Monday through Friday. Branches can be opened after hours for emergency service. Local Fastenal branch information is available 24/7 via [www.fastenal.com/locations](http://www.fastenal.com/locations).

Customer Site Visits: With 71% of our local representatives dedicated to serving the customers within their market, Fastenal makes more than three million customer site visits per year. The goal of these visits is to provide superior customer service and drive cost savings to each Purchasing Entity by providing a local person to help in the ordering process.

FMI Technology: By definition, technology is a tool to achieve practical benefits. For Purchasing Entities that use FMI Technology, those benefits include improved access to supplies, a reduction in consumption and inventory, and clear visibility into usage. It adds up to a more proactive, transparent, and efficient supply chain. Fastenal's automated supply programs offer a suite of devices to monitor, track, and control wide-ranging products. With Fastenal, the machine is just part of a total inventory management solution. Some of the available program components include:



- *FASTVend*: Vending solutions to control and track high-volume consumables as well as assets, providing 24/7 access, flexible controls, and deep visibility into usage: who, what, where, when, and why.
- *FASTPod*: As a solution for temporary, remote, and emergency responses, the servicing Fastenal branch can tailor a jobsite trailer or Conex to meet the Participating Entity's supply needs. These mobile units are managed by local Fastenal personnel and stocked with immediately available inventory that is bar-coded for easy identification.
- *FASTStock*: Manual bin stock service enhanced by mobility technology. Helping Purchasing Entities visualize what they have and where it is.
- *FASTBin*: Technologically enhanced bin solutions that provide 24/7 inventory monitoring. Helping Purchasing Entities visualize what they have on hand, where it's located, and current inventory status.

The efficiency of EDI solutions shines through with the larger weekly orders we execute through a Fastenal Managed Inventory program. Combining EDI with an FMI Technology solution takes it to another level, allowing Participating Entities to digitize and automate the entire supply process – from the purchase to the point of use.

Onsite Program: Fastenal's onsite programs have a single focus: operating a world-class supply chain for the Purchasing Entity's facility. With this model, we provide full-time Fastenal experts to handle daily operations. We also invest in consigned on-premises inventory, providing immediate access to planned needs while driving your working capital goals. Solutions, suppliers, services, specialists – everything we offer can be part of an onsite solution. Customization is the key word.

#### 8. What is the Offeror's return policy?

Product can be returned for up to one (1) year from date of invoice if product is in its original packaging, unused, unexpired, undamaged, and in resalable condition, except as noted below. Proof of Purchase is required in all instances. Fastenal's motto is Growth Through Customer Service, and in practice the final decision on returns that do not meet our stated policy is up to the local servicing branch.

Fastenal allows returns for any reason up to 30 days from date of invoice unless otherwise noted. Any returns for shipping errors, damage or loss upon delivery must be reported within 10 days of the delivery date. All returns should be made to a Fastenal branch or as otherwise designated by Fastenal, must be in resalable condition and be accompanied with proof of purchase.

Products sold on a "Final Sale" basis as defined below cannot be returned. "Sourced Product" (defined below) is subject to the manufacturer's return policy and may not be returnable. Some product returns may be denied or made subject to restocking fees and other charges by Fastenal.

**FINAL SALE ITEMS.** Items sold on a "Final Sale" basis include: (i) custom or sourced items; (ii) special-order items; (iii) emergency response items; (iv) items marked in quotations or invoices as "Non-Cancellable" or "Non-Returnable"; and (v) any other items that Fastenal may designate as a





“Final Sale” from time to time.

**STATE OF EMERGENCY:** During a State of Emergency (such as a hurricane), some items may be noncancelable, non-refundable, and non-returnable. Purchasing Entities will be notified of these non-returnable items at the time of purchase.

**SOURCED ITEMS.** Sourced items as defined in question A which are ordered and delivered to the Purchasing Entity may be non-returnable and non-refundable. Sourced Items that have been ordered by the Purchasing Entity and are non-cancelable by the manufacturer, Purchasing Entity must accept and pay for the delivered quantities, excluding non-conforming items.

#### **D. Data Security**

1. Describe the standard security measures, including PCI compliance for the Offeror's company. Some states may have additional data security requirements, which the Offeror must work with each Participating Entity if applicable. Describe an instance that a customer had additional security needs and how the Offeror adapted.

Fastenal takes threats to the availability, integrity, and confidentiality of our customers' information extremely seriously. We have taken steps to implement a robust information security program and have independently certified our information security management system against the internationally recognized standard, ISO27001. This certifies our information security program is governed by rigorous information security policies, guidelines, standards, and appropriate risk mitigation control technologies.

In addition, Fastenal maintains compliance with the Payment Card Industry Data Security Standard (PCI DSS), General Data Protection Regulation (GDPR), California Consumer Privacy Act (CCPA) and Sarbanes-Oxley (SOX), for select business areas, technologies and processes, Fastenal has adopted a holistic approach to information security which is based on practical and pragmatic approaches relating to information security initiatives.

Fastenal's risk-based security strategy ensures the adoption of information security principles, practices, and methodologies through the selective implementation of key best practice security controls within recognized information security frameworks and standards such as: ISO27001, National Institute of Standards and Technology (NIST), Payment Card Data Security Standard (PCI DSS), Open Web Application Security Project (OWASP) and the General Data Protection Regulation (GDPR) as the base standard for our data protection program.

Example: One instance when Fastenal's existing data security practice was changed to address the additional security needs of a customer has had to do with the security around personal employee data. Fastenal's standard practice includes the use of employee names, IDs, and/or email addresses for access and identification in Fastenal's vending devices. A customer had additional security requirements for the visibility of personal employee data. Fastenal adapted to the customer's additional security needs by designing our vending platform to operate with or without sensitive employee personal data. Customers that have



concerns can simply choose to provide substitute values instead of genuine employee personal data types, such as employee IDs, email address etc., during the vending account access setup phase of the onboarding process. This effectively eliminates any risk that Fastenal may inappropriately misuse, mishandle, or expose customer data to security risks, as customer employee data is never shared.

2. Included in the response include where data is stored including any back up servers.

Fastenal operates enterprise-wide business continuity plan (BCP) and disaster recovery (DR) programs. Recovery point and time objective have been set based in the criticality of systems and sensitivity of data.

All production data is backed up to a local storage within our secure data centers and then replicated immediately to our offsite DR device which is located at Sungard's Data Center and Workplace Recovery Center, Philadelphia, USA. This provides us with the ability to be able to fully restore our production environment in a timely manner.

3. Has the Offeror had a data breach within the last 5 years? How quickly was the end user notified, the issue resolved and talk about any other outcomes.

No, Fastenal Company has not had a data breach within the last 5 years.

### **E. Reporting**

Participating Entities will have different needs when it comes to reporting. Describe Offeror's reporting capabilities including customization. (e.g., sales reporting, sustainability reporting, sustainable labeling available, usage reports, any other state reports needed by a Participating Addendum etc.).

As a current holder of the NASPO ValuePoint Master Agreement, Fastenal has extensive experience in customizing reporting to meet the specific needs of each Participating Entity. Today we provide 44 reports to States utilizing the NASPO ValuePoint Master Agreement, both standard and customized.

Contract Reporting: NASPO ValuePoint's Master Agreement reporting is submitted through the required NASPO ValuePoint reporting tool. Each Participating State's spend is broken out from the NASPO ValuePoint master report and recorded accordingly.

Fastenal's Contract Management and Sales Support department administers all reporting that supports the remittance of rebates, Participating States' administrative fees, cumulative discounts, volume discounts and minimum spend discounts (if any).

- Net Spend Report: Showing spend per account under the contract.
- Usage Detail: Showing invoice level part detail for each account under the contract.

Rebate, incentives, and administrative fee remittance is substantiated by the above referenced reports. Fastenal has additional reporting available that may be negotiated at no additional



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charge to provide information regarding contract spend, high usage item reporting, invoice registers, outstanding invoice statements, and payment trends as needed by the customer.

Sustainability Reporting: Fastenal provides sustainability reporting, which includes reporting regarding environmentally preferred products (EPP) which can be customized for submission using the Purchasing Entity’s Green Sales Report Template.

Sample Company Green Purchases Summary		
Certification	Spend	% of Total Spend
Environmentally Preferred	\$35,879.00	11.95%
Green Seal	\$8,588.00	2.86%
LEED	\$5,526.00	1.84%
Energy Star	\$3,931.00	1.31%
EcoLogo	\$2,291.00	0.76%
Greenguard	\$1,121.00	0.37%
WaterSense	\$1,098.00	0.37%
Safer Choice	\$981.00	0.33%
Sustainable Forestry Initiative	\$731.00	0.24%
Forest Stewardship Council Certified (FSC)	\$690.00	0.20%
Carpet & Rug Institute Certified	\$351.00	0.12%
USDA BioPreferred	\$247.00	0.08%
<b>Total Spend (Incl. Non Green)</b>	<b>\$300,123.76</b>	<b>20.44%</b>

Sustainable Labeling: Fastenal provides accurate and meaningful labeling of environmentally preferable products offered in our on-line catalog through the green leaf symbol to the left. Additionally, in an effort to provide



superior customer service, when the 'Green' symbol is clicked in our on-line catalogs or on Fastenal.com, the Compliance Information Section expands. This expanded view provides additional information regarding why the product is considered environmentally preferred. Compliance with 3rd party standards and certifications information is provided here as well. Products are available with certifications including (but not limited to):

- Carpet & Rug Institute
- EcoLogo
- Energy Star
- EPA Safer Choice
- EPA Watersense
- Global Recycled Standard (GRS)
- Green Seal
- Greenguard Environmental Institute
- NEMA Premium
- Recycled Claim Standard (RCS)
- SCS Certified
- Sustainable Forestry Initiative
- UL Environmental
- USDA Biopreferred

Supplier Diversity Reporting: Supplier diversity reporting is available to reflect spend with diverse suppliers in accordance with state and local certifications. See section H, question 4 for additional information around Fastenal’s Supplier Diversity programs.

FMI Technology Reporting: In addition to controlling product consumption, our FMI Technology programs allow your organization to unveil complete transparency all the way down to the individual user. Prior to vending an item, users can be prompted to enter up to five levels of user-defined information (e.g., department, group, cost center, project, etc.), enabling management to track usage accordingly.

Workflow Management Reports via Online Catalog: The Workflow Management feature within Fastenal’s online ordering system has built-in reporting capabilities for managers to view, authorize, and approve purchases made online.

Online Ordering System Reporting: Fastenal’s online ordering system provides robust reporting for ordering entities to manage their budgets and track their purchases. Available online reporting includes:



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- *Usage Reporting:* View and review your purchasing patterns over a selected time period.
- *Open Balances and Statements:* View and print any Fastenal invoice with an open balance. This includes all orders placed with Fastenal, regardless of if placed online or not.
- *Order Status and Tracking:* NASPO ValuePoint Participating Entities can see the status of their orders at any time during the order process. 3rd party tracking numbers are made available in status updates where applicable, and the local branch can provide tracking information on branch-delivered parts.
- *Order History:* View history of orders placed online with Fastenal.com. Previous orders can be reordered and edited for future use.

### Self-Serve Online Reporting Portals

In addition to the customized reporting offered to each Participating Entity, Fastenal offers 24/7 reporting access through our FAST360° and FAST360° Analytics reporting dashboards.



### FAST 360°

In addition to data and analytics for contract management as described above, Fastenal provides local account holders with robust reporting relevant to their site operations. FAST360° is an on-demand reporting dashboard (accessible via Fastenal.com) that provides each local facility with visibility to their Fastenal-managed inventory and Fastenal spend. This is truly a unique solution in the industry, made possible by our high-touch service and FMI Technology program. FAST360° includes three core modules: My Business; My Inventory; My Spend.

### FAST360° Analytics

The FAST360° Analytics portal allows Participating Entities to visualize their purchasing and supply chain management programs with Fastenal through Power B.I. reporting created exclusively for our contract customers. Through this reporting Contract Managers can understand the program by seeing it from multiple views and levels, choosing whether to analyze the big picture or take a deeper dive into specific divisions, categories, channels, and activities. Views include open invoices, vending activity (by site and stocking location), and spend (by month, year, category, sales channel, etc.). Cost Savings reporting documents Fastenal's strategic value and quantifies the lower total cost of ownership delivered.



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**F. Implementation Plan**

Implementation of a Master Agreement, if awarded is vital to the Participating Entities. Describe in detail the Offeror’s implementation plan including an estimated timeline to include at minimum the following points:

Fastenal has more than 20 years of experience implementing many state-wide MRO contracts with cooperative use features. These statewide contracts span the spectrum of state, city, and county government agencies and utilize participating addendums. As the incumbent under the current NASPO ValuePoint Master Agreement, our experience and relationships will ensure a smooth transition to the new NASPO ValuePoint Master Agreement.

Fastenal’s experienced government sales team has a close relationship with NASPO ValuePoint and each state, and our large local presence of more than 3,200 in-market locations and 20,000+ local people ensures the successful implementation of the NASPO ValuePoint contract.

Fastenal’s implementation plan will roll out in three phases:

- 1) Onboarding and execution of the Participating Addendums
- 2) Implementation of the State Agreements with State Agencies and Political Subdivisions
- 3) Management of contracts

	<b>INTERNAL FASTENAL ACTIVITIES</b>	<b>PARTICIPATING ENTITY-FACING ACTIVITIES</b>
<b>DAYS 1-30: ONBOARDING AND EXECUTION OF THE PARTICIPATING ADDENDUMS</b>	<ul style="list-style-type: none"> <li>• Circulate press release announcement through AP, trade publications, and post on social media and Fastenal.com.</li> <li>• Release video message from our President/CEO Dan Florness to all Fastenal employees endorsing the new NASPO ValuePoint Master Service Agreement.</li> <li>• Hold conference calls with Fastenal sales leadership to discuss the details of the NASPO ValuePoint award and implementation plan.</li> <li>• Publish a NASPO ValuePoint article in our Fastenal Quarterly newsletter which is distributed to all 20,000+ Fastenal employees.</li> <li>• Update the NASPO ValuePoint landing page on Fastenal.com and our intranet site and where Fastenal sales representatives will be directed to access:</li> </ul>	<ul style="list-style-type: none"> <li>• Communicate to all current Participating Entities, notifying them of the new contract pricing, incentives, and value-added benefits.</li> <li>• Schedule meetings with key decision makers within all states and territories.</li> <li>• Execute a participating addendum within each State, including FMI Technology agreements as applicable.</li> <li>• Meet with state contract administration personnel to understand the unique needs of each state, key initiatives, scope of the contract and cooperative use rules.</li> <li>• Customize the NASPO ValuePoint Participating Addendum to meet each State’s needs.</li> <li>• Analyze member-specific market baskets.</li> <li>• Work with each Participating</li> </ul>



	<p>Master Service Agreement information, NASPO ValuePoint support contacts, and a downloadable training document to understand the contract terms and conditions.</p>	<p>State to obtain a listing of all entities who can utilize the NASPO ValuePoint Master Agreement and obtain cooperative use rules and regulations.</p>
<p><b>DAYS 31-90: IMPLEMENTATION OF STATE AGREEMENTS WITH STATE AGENCIES AND POLITICAL SUBDIVISIONS</b></p>	<p><b>INTERNAL FASTENAL ACTIVITIES</b></p> <ul style="list-style-type: none"> <li>• Launch email and telemarketing campaign to all Fastenal employees in Participating NASPO ValuePoint States detailing the NASPO ValuePoint Master Service agreement and action items for the coming weeks to support the agreement.</li> <li>• Update the state landing pages on Fastenal.com detailing the state agreement.</li> <li>• Update co-branded marketing materials with state agencies which will be available for Fastenal sales representatives on the NASPO ValuePoint intranet landing page.</li> <li>• Complete NASPO ValuePoint training with each local branch within their Participating State to ensure each branch understands the scope of the NASPO ValuePoint contract within their state.</li> </ul>	<p><b>PARTICIPATING ENTITY- FACING ACTIVITIES</b></p> <ul style="list-style-type: none"> <li>• Partner with NASPO ValuePoint to promote contract to eligible agencies.</li> <li>• Distribute co-branded NASPO ValuePoint literature and Partner Brochure to all current state and local government agencies in each Participating State via our local Fastenal sales employees.</li> <li>• Hold the NASPO ValuePoint implementation meeting with each participating state. Implementation meetings with the customer can be set up as an in-person meeting, E-Learn Center, webinar, conference calls, and/or audio/video.</li> <li>• Participating Entity site visit and needs analysis as necessary.</li> <li>• Develop site-specific action plans.</li> <li>• Educate Participating Entities on various ordering methods available, including registering for an account on Fastenal.com.</li> <li>• Educate Participating Entities on Fastenal's value-added services, including vendor managed inventory solutions, onsite, sustainable products and solutions, supplier diversity, emergency preparedness, cost savings, and more.</li> </ul>



	INTERNAL FASTENAL ACTIVITIES	PARTICIPATING ENTITY-FACING ACTIVITIES
DAY 91+: MANAGEMENT OF CONTRACTS	<ul style="list-style-type: none"> <li>• Develop key account management plans for Participating Entities.</li> <li>• Address known issues and develop resolution to any concerns.</li> <li>• Develop continuous improvement plan from needs assessment and site visits.</li> <li>• Identify opportunities for onsite engagement.</li> <li>• Analyze cost savings opportunities available through use of Fastenal Managed Inventory (FMI) Technology.</li> <li>• Establish cadence of site visits and business reviews.</li> </ul>	<ul style="list-style-type: none"> <li>• Partner with NASPO ValuePoint to seek additional opportunities to engage with eligible entities, including through print marketing, online marketing, email marketing, and participation in tradeshow and events (including the NASPO Exchange).</li> <li>• Set up monthly, quarterly or semi-annual business reviews to ensure key objectives and cost saving measures are being met with each State.</li> <li>• Monitor cost savings goals, continuous improvement initiatives, training, service implementation and outreach initiatives to ensure successful implementation of the customer needs and requirements.</li> </ul>

1. Detailed specific information, resources, and assistance the Offeror will require from each Participating Entity to implement the Participating Addendum.

Fastenal’s Government Sales Directors and Government Sales Specialists have a close relationship with State procurement and will work with each State/Participating Entity to determine the information, resources, and assistance required to implement the contract. As applicable, this information will be detailed in the Participating Addendum. Below are examples of this information and assistance we anticipate may be required from each Participating Entity:

Information	Resources	Assistance
<ul style="list-style-type: none"> <li>• Provide the State’s expectations for participation and compliance</li> <li>• Identify reporting points of contact for fee/rebate remittance (if applicable)</li> <li>• Provide historical spend</li> </ul>	<ul style="list-style-type: none"> <li>• Identify reporting points of contact for ESB/MBE/WBE/DV subcontracting plans and the negotiation of supplier diversity goals</li> <li>• Identify the point of contact for Sustainability/Green</li> </ul>	<ul style="list-style-type: none"> <li>• Identify the champion within the State to facilitate the roll-out of the NASPO ValuePoint contract to State agencies and political subdivisions</li> <li>• Establish clear timelines for contract implementation</li> </ul>



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<p>information to identify high-use items for inclusion in the custom market basket</p> <ul style="list-style-type: none"> <li>• Provide contact information and shipping locations</li> <li>• Identify top customers within the state to include political subdivisions (if applicable)</li> <li>• Provide suggestions for local media and government trade publications for press releases</li> </ul>	<p>reporting and establishment of goals</p> <ul style="list-style-type: none"> <li>• Provide marketing support – line cards, logos, landing page links on state’s website</li> </ul>	<p>milestones and assign roles and responsibilities to each</p> <ul style="list-style-type: none"> <li>• Host events and scheduling of contract kick-off events</li> </ul>
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2. Describe how soon from execution of a Participating Addendum the online ordering system will be available to each Participating Entity. If a phased implementation is planned in terms of limited functionality vs. complete functionality, please specify.

Fastenal's online ordering system is completely functional and in use today by existing NASPO ValuePoint Participating Entities. Existing Participating Entities' account numbers will be updated with the new contract terms and able to purchase online within 24 hours of execution of the Participating Addendum. New Participating Entities will be able to purchase online within 48 hours from the execution of a participating addendum and establishing an account number at the local Fastenal branch.

3. Describe in detail the Offeror’s experience when implementing customer relationships of equivalent size and complexity.

As an incumbent NASPO ValuePoint contractor since 2011, Fastenal has excelled in administration, marketing, and compliance with the terms and conditions of the NASPO ValuePoint Master Agreement. Fastenal currently has 47 state-wide MRO contracts, 41 of which are with states that have signed a NASPO ValuePoint Participating Addendum. Additionally, Fastenal has more than 20 years of experience implementing many state-wide MRO contracts with cooperative use features. These statewide contracts span the spectrum of city, county, and state government agencies and utilize participating addendums. Fastenal has continuously grown sales and the number of accounts under the existing NASPO ValuePoint Master Agreement.

With our footprint and local representative coverage, Fastenal has been able to extend the full value of the NASPO ValuePoint Master Agreement to all Participating Entities, big and small, rural and metro, and increased the number of customers utilizing the NASPO ValuePoint Master Agreement each and every year.

Fastenal’s contract management system and internal controls ensure sound administration of the





pricing, terms, and conditions. Clear policies, procedures, and work instructions ensure the sound execution of participating addendums, and the administration of any unique terms and conditions.

4. Describe any customization abilities for different States or political subdivisions within a Participating Entity.

Tailored Local Inventory: The ability to provide a custom stocking model based on historical usage and/or planned purchases.

Agency-Specific Custom Market Baskets: Agency-specific, high-use items, green/environmentally preferable products, Supplier Diversity products, Community Rehabilitation Program products, and/or regional manufacturers to provide NASPO ValuePoint Participating Entities with member-specific cost savings.

Fastenal Managed Inventory (FMI) Technology: Participating Entities have the ability to customize their local program to include Fastenal Managed Inventory programs by incorporating the use of FMI Technology agreements into the Participating Addendum. Our FMI Technology program centers on five core concepts: Simplify, Monitor, Control, Track, and Analyze.

Additional Customization:

Additional customization abilities include customized models for:

- Reporting capabilities
- Rebates/administrative fees
- Training for products/applications
- Safety audits and training
- Lean process improvement
- Cost savings documentation
- Volume discounts and growth incentives
- Restrictions and messaging
- Supplier diversity programs (Tier 1 & Tier 2)
- Green and sustainability programs

- G. Other Products:** If proposing for Category 15, Offerors must provide a detailed description of the product categories they are proposing and why they do not fit into the already defined categories. The Lead State reserves the right to approve/deny any additional Product Categories proposed. Offerors should note that not all Participating Entities may adopt Category 15 in their Participating Addendum.

The categories outlined below are those Fastenal offers which are not specifically called out within this solicitation but which we believe are part of the MRO product mix. Additionally, they are categories which we have often seen requested by the Participating Entities Fastenal serves through the current NASPO ValuePoint contract:

- Abrasives
  - Abrasive Accessories
  - Abrasive Blasters and Accessories
  - Abrasive Brushes
  - Buffing and Polishing Products
  - Burr Products
  - Deburring Products
  - Diamond Abrasives Products
  - Files and Rasps
  - Grinding Abrasives Products
  - Sanding Abrasives Products
  - Sharpeners and Accessories
- Adhesives, Sealants, and Tape
  - Adhesives and Glues



- Adhesives and Sealants
- Dispensing Tools
- Concrete and Asphalt
- Floor and Surface Care Chemicals
- Silicones, Caulks, and Sealants
- Tape
- Tape Dispensers
- Threadlocking Chemicals
- Warming Wraps and Accessories
- Cutting Tools and Metalworking
  - Cutting Tool Assortments Kits
  - General Purpose Holemaking
  - High Performance Drilling
  - Indexable Cutting Tools
  - Milling Products
  - Saw Blades
  - Threading and Tapping
  - Toolholding Systems
  - Tooling Components
  - Turning and Boring Products
- Fleet and Automotive
  - Air Line Products
  - Automotive Chemicals and Lubricants
  - Automotive Specialty Tools
  - Cribbing and Lumber
  - Dock and Trailer Equipment
  - DOT Fittings
  - DOT Hose and Tubing
  - Engine Oil and Additives
  - Fleet and Automotive Lighting
  - Fleet Batteries and Accessories
  - Fleet Electrical Products
  - Fleet Filters and Accessories
  - Fleet Electrical Products
  - Fleet Filters and Accessories
  - Fleet Replacement Parts
  - Fluid Transfer Products
  - Mechanical Components
  - Shop Equipment
  - Tire and Wheel Products
- Towing and Accessories
- Truck and Trailer Hardware
- Truck Boxes and Vehicle Racks
- Hardware and Building Supplies
  - Braces and Brackets
  - Cabinet Hardware
  - Caps and Plugs
  - Construction and Building Supplies
  - Entry and Exit Door Products
  - Hardware Supplies
  - Hasps, Hinges, and Latches
  - Industrial Flooring Products
  - Poleline Hardware
  - Springs
  - Strut Channel
  - Strut Channel Accessories
  - Strut Clamp and Hanger Accessories
  - Strut Clamps and Hangers
  - Window Hardware
- Hydraulics
  - Crimping and Preset Machines
  - Crimping Machine Accessories
  - Hydraulic Accumulators and Accessories
  - Hydraulic Couplers and Accessories
  - Hydraulic Fittings
  - Hydraulic Hose Products
  - Hydraulic Pumps and Cylinders
- Lubricants, Coolants, and Fluids
  - Grease
  - Grease Fittings and Accessories
  - Grease Guns and Accessories
  - Lubricants
  - Lubrication Equipment
  - Metalworking Chemicals
  - Metalworking Fluid Equipment



- Oils
- Protective Coatings and Inhibitors
- Machinery
  - 3D Printers and Accessories
  - Cold Saw Accessories
  - Drill Press Accessories
  - Grinding Machine Accessories
  - Ironworker Accessories
  - Lathe Accessories
  - Machinery Accessories
  - Machining Tables
  - Metalworking Machinery
- Motors
  - AC Motors
  - DC Motors
  - Motor Accessories
- Packaging and Shipping Products
  - Bubble, Foam, and Cushioning
  - Corrugated Boxes, Cartons, and Mailers
  - Envelopes and Mailers
  - Improper Handling Devices
  - Packaging and Shipping Accessories
  - Scales and Accessories
  - Shipping Bags and Accessories
  - Shipping Labels and Tags
  - Strapping Products and Accessories
  - Stretch Wrap and Shrink Film
  - Stretch Wrap Machines and Accessories
- Pneumatics
  - Actuators and Cylinders
  - Air Piping Systems
  - Air Preparation
  - Blow Guns and Accessories
  - Clamps and Collars
  - Hose Couplers and Accessories
  - Hose Guards
  - Hose Reels and Accessories
  - Pneumatic Fittings
  - Pneumatic Hose Products
  - Pneumatic System Components
  - Pneumatic Valves and Accessories
  - Pressure Gauges and Accessories
  - Tubing and Tubing Accessories
- Power Transmission
  - Bearing Heaters and Accessories
  - Bearings
  - Bushings
  - Cam Followers and Yoke Rollers
  - Chain and Sprockets
  - Collars, Couplings, and Components
  - Gearing
  - Keyed Shafts and Keys
  - Linear Motion
  - Power Transmission Belts
  - Pullers, Separators, and Accessories
  - Seals and Accessories
  - Sheaves and Pulleys
  - Shims and Shim Stock
  - Speed Reducers
- Raw Materials
  - Composite
  - Felt
  - Foam
  - Graphite
  - Metal
  - Plastic
  - Rubber
- Sealing
  - Compression Packing
  - Cord Stock
  - Flanges, Gaskets, and Gasket Materials
  - O-Rings and O-Ring Kits



- Rotary and Linear Seals
- Test and Measurement
  - HVAC Test Instruments
  - Laboratory Supplies
  - Meter Accessories
- Meters
- Precision Measuring Tools
- Thermal Imagers and Accessories
- Thermometers
- Water Treatment

#### H. Additional Services that Add Value if Awarded (not scored)

This Section is required to be part of the Offeror's response. This information will be used if the Offeror is awarded a Master Agreements. However, this area is not scored as part of the evaluation of the RFP.

Offerors are encouraged to include value-added solutions that may improve or enhance a Participating Entity and Purchasing Entity's use of the Master Agreement, including products, services or both offered, if awarded.

1. **Installation of Products (if applicable).** Describe the Offeror's ability to provide non- third-party installation services of products or equipment that a Participating Entity(ies) may choose to award in their Participating Addendum. Some States may be limited by State rules when it comes to installation of equipment, for instance, electric vehicle charging stations are a Public Improvement. Include in the Offeror's response, if there are any instances a warranty may be voided if not installed by the Offeror.

To ensure a fast, seamless and risk-free implementation across NASPO ValuePoint member facilities, we have dedicated Implementation teams throughout the U.S. With more than 200 implementation specialists overall, Fastenal completed over 1,200 large-scale implementation projects with our customer base in 2023. This nationwide dedicated team of implementation specialists will provide installation services for shelving, racking, bins, dispensers, vending machines, and other items related to the MRO product line.

2. **Warehouse Management Solutions.** If applicable, describe a warehouse management solution that the Offeror has the ability to offer a Participating Entity.

Industrial supplies are typically a "blind spot" for organizations. Limited visibility to basic information – what product is stocked in the facilities, where it is located, how it's being used – leads to various forms of waste, from over-buying and obsolete inventory to stock outages and inefficient rush deliveries.

Through the development of our Fastenal Managed Inventory (FMI) Technology program over the past 15 years, Fastenal has emerged as the global leader in technologies that take facilities maintenance and industrial supplies out of the shadows and into a transparent, planned environment. This includes the mass deployment of devices that would allow Participating Entities to digitally monitor, track, and control wide-ranging products, typically driving a significant and sustained reduction in consumption. These solutions (as described in detail in section III.A.) offer a systematic approach to reducing consumption:



- **Remote Inventory Monitoring:** The devices are equipped with sensing technologies to digitally report the current inventory level in each stocking location. This eliminates the need for Fastenal employees to drive to customer sites in order to visually check their inventory status. Further upstream, it allows our distribution teams to be more proactive and efficient in how we stage and transport the product.
- **Inventory Visibility:** Our FAST360° and Product Locator inventory search tools allow customers to see if needed items are available in their facilities and, in turn, avoid unnecessary purchases and transportation. Our eCommerce platform takes it a step further, proactively informing buyers if they're attempting to purchase items they already have on hand.
- **24/7 Access:** The assurance of "perpetual inventory" removes the incentive for employees to hoard and over-order supplies. It may seem counterintuitive, but continuous access promotes less overall consumption.
- **Usage Traceability:** Each dispensed item can be traced to a person, place, time, and cost center. This reporting fosters a culture of accountability and illuminates opportunities to reduce future consumption (for example, by switching to a longer-lasting glove, or by providing additional training to an employee who is over-using a certain tool).
- **Access Controls:** Several of our devices allow organizations to set role-specific controls so their employees only have access to products relevant to their jobs (not to all products in the device). Managers can also set frequency limits so that, for example, an employee can only dispense a certain number of batteries per month without supervisor approval – another tool to reduce wasteful consumption.
- **Locker Pickup:** The devices are primarily used for planned needs; however, FMI Technology lockers within customer sites can also serve as an efficient fulfillment solution for unplanned "spot buys." The environmental benefit: Instead of employees driving to Fastenal or other businesses to pick up urgent needs, our local teams deliver those orders (via on-site lockers) during their regular service visits.
- **Asset Management:** Our automated lockers allow managers to track tools, scanners, and other returnable assets to the most recent user, helping to prevent loss and theft. The devices can also be integrated with a Fastenal industrial services program to refurbish (rather than replace) tools.

In support of our Fastenal Managed Inventory (FMI) Technology solutions, please reference the sample agreements and fee structures (FMIT, FASTStock, FASTPOD, FASTCrib) as attached to Attachment 08 - Cost Proposal, Value Add Services. These agreements will be executed and/or incorporated in the resulting Participating Addendum with respective Participating Entities.

- 3. Disaster Recovery Plans and Services.** Describe Offeror's emergency management plan to aid Participating Entities during an emergency or disaster recovery. Be specific as to response time, product availability, how to best contact the Offeror during an emergency and other services offered. Include an example of a time the Offeror assisted a State during



an emergency. DO NOT include the Offeror's disaster recovery plan for Offeror's own company.

Fastenal understands that the impact of a disaster is felt locally, and the response is best mobilized on the local and regional level. This is why Fastenal believes our capability to bring a positive and quick response to a disaster is second to none. We have inventory, personnel, and our transportation network positioned to respond to each local market's need. Fastenal's response is not next day, it is same day.

Support is available from both the local branch and our dedicated NASPO Customer Service Team:

- Fastenal Branch: Addresses, phone numbers, and email addresses are available under My Branch on Fastenal.com.
- NASPO ValuePoint Customer Service Team
  - Business Hours: (833) 790-9932, [nasposupport@fastenal.com](mailto:nasposupport@fastenal.com)
  - After Hours/Emergency Support: (833) 790-9932, [blueteamresponds@fastenal.com](mailto:blueteamresponds@fastenal.com)

To better understand what Fastenal brings to support each Participating State's emergency management plan, it's important to truly understand what Fastenal offers. With 3,200+ in-market locations and 20,600+ employees (71% of whom directly serve our customers), we truly are where you are. Our network of branches is supported by 15 distribution centers strategically located across North America.

One thing that differentiates Fastenal within the industrial supply marketplace is that we own our transportation routes. Our branches are serviced by our own fleet of 800+ commercial motor vehicles, so we don't have to rely on 3rd party carriers during times of need. With our fleet of 8,300 fleet vehicles, investment in locations, and more than \$1.5 billion in available inventory, Fastenal can respond more quickly to the local market than any other distributor.

### Strategic Planning

A quick, effective response requires planning. Fastenal works closely with States at the procurement planning level – from the Departments of Health and Homeland Security to port authorities and local emergency management teams. Our collaboration involves developing local plans to deploy people and products on predetermined time frames. We follow predefined action items occurring at 12 hours, 24 hours, 48 hours, 72 hours, one week, and 30 days following an event. The process is methodical – defining potential people, planning, events, responding to the actual occurrence, proximity, products, and logistics.

### Examples

**COVID-19:** In the early stages of the COVID pandemic, Fastenal identified products that would have high demand, such as gloves and masks. Fastenal created an allocation system to protect the available inventory and prioritized customers based on need. The customers that were given priority for these critical supplies were First Responders, State and Local Government, Higher Education and critical industries such as food and medical manufacturing.



Fastenal used its large network of manufacturers to negotiate large allocations for these critical supplies and used our internal delivery system to get them to the customer.

*Hurricane Ian:* In 2022 Fastenal provided extensive disaster relief support within the state of Florida in the aftermath of Hurricane Ian. This included the establishment of quoting and logistics operations onsite at the Florida Department of Health, which ran 7am-7pm shifts daily for more than a week. (This onsite support is reinstated whenever it is needed, as new storms occur). Fastenal worked with emergency response teams and local law enforcement to enable Fastenal deliveries of crucial supplies to affected areas.

4. **Use of Diverse Suppliers.** Each State has different reporting, statutes and rules that apply to ensure the use of diverse business's (e.g., small business, woman owned, veteran owned, disadvantage and other business's). How does the Offeror intend to use and of these businesses? Provide a plan including how the use of a small business or other identified types would be used if a Master Agreement was awarded. This will be addressed at the Participating Addendum level with States that have requirements may vary.

The goal of Fastenal's supplier diversity program is to help Participating Entities increase purchases with small, local, and diverse businesses. We do this by creating close, long term supplier relationships that strengthen our supply chain and communities.

As a strategic partner, it is our policy to advocate for small, diverse, and local businesses. To that end, we collaborate across the supply chain to identify opportunities for those supplier partners, working to match our strategic customers' needs with our suppliers' capabilities. Through our research, certification requirements, and quality verification system, we continue raising the bar for the program. Our commitment is to maintain a robust network of certified diverse suppliers that meet Fastenal's high standards for quality and service.

Our Supplier Diversity team will review qualified suppliers and assist to match the Participating Entity's needs to the capabilities by providing the following:

- Potential early involvement in the design and establishment of goals
- Realistic and understandable expectations
- Accurate forecasting of our anticipated needs and timely distribution of pertinent information
- Detailed Tier II usage reports including the following certifications:
  - HUBZone
  - Minority-Owned Business
  - Woman-Owned Business
  - Veteran-Owned Business
  - Service Disabled-Veteran Owned Business
  - Small Business
  - Small Disadvantaged Business

Reseller Program: Fastenal's Supply Chain Diversity program establishes strategic alliances with small businesses serving as authorized channels of distribution for Fastenal's products and services. Fastenal's Reseller Consortium features strategic partners with a wide range of



manufacturing, distribution and service capabilities as well as a full complement of supplier diversity certifications.

The full line of Fastenal's fasteners and industrial supplies are available for purchase from our authorized resellers. Some resellers are stocking distributors; others are service providers with agreements for Fastenal to provide logistics and distribution services in support of their customers' requirements. All authorized resellers are the vendor of record and responsible for invoicing, accounts receivable management, e-procurement solutions, and customer service.

Fastenal will work with each State or Participating Entity to determine supplier diversity requirements at the time of Participating Addendum and will work closely to identify the options that will best fit their needs.

5. **Discounts or Other Incentives.** Additional discount options are encouraged, which can distinguish between individual order minimum quantities and other discount terms that may be defined by the Offeror for the evaluation committee to consider. Extensions of additional discounts past the Master Agreement's initial term are not required but may be offered. If a Offeror has other incentive programs than discounting product, for instance a rebate program that could be offered, include that in the Proposal response as well.

Fastenal is willing to offer incentives based on the growth for NASPO Value Point Participating Entities as well as level of participation.

The various incentives offered by Fastenal are designed to encourage the adoption of supply chain processes which, when implemented in partnership with Fastenal, provide maximum value to the members. Each Entity's needs are unique, so Fastenal will work with each Participating Entity to design an incentive program that works for them.

1. Admin Fee based on individual Participating Entity negotiations.
2. Growth Incentive Programs based on:
  - Incremental Sales Growth
  - Technology usage Growth
  - E-Commerce Growth
  - Other Growth Incentives may also be negotiated based on the specific needs of Participating Entity
3. Agency-Specific Market Baskets can be created to drive additional savings based on specific needs, annual usage, consolidation of manufactures, and other market factors.
4. Volume Discounts: Fastenal understands that Participating Entities may, from time to time, have unique purchasing needs requiring the purchase of products in a volume not related to ordinary purchase volume. Fastenal will assist Entities by identifying and passing on the additional value which may be obtained through reaching a volume purchase. The volume discounts will be negotiated between



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Facilities MRO and Industrial Supplies**



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- the local Fastenal branch and the NASPO ValuePoint Participating Entity based on current market conditions.
5. Additional incentives and/or SKU level discounts are available for single award contract agreements.



## Attachment 09 PROPOSED DEVIATIONS TO SAMPLE MASTER AGREEMENT

The Lead State may, but is not obligated to, consider proposed deviations to Attachment 04, Sample Master Agreement.

Provisions of the Sample Master Agreement that are generally inapplicable to, incompatible with, or unsuitable for the subject of this RFP should be brought to the attention of the Lead State using the process described in this RFP for asking questions and will be addressed only at the sole discretion of the Lead State.

Offeror-specific deviations to the Sample Master Agreement may be proposed as part of Offeror's proposal in this attachment but are **strongly discouraged**. The quantity, breadth, and nature of deviations proposed by Offeror may be considered in the Lead State's evaluation of Offeror's proposal and of its risks, costs, and benefits to the Lead State and potential Participating Entities and Purchasing Entities. Proposing excessive or overly restrictive deviations, or proposing deviations upon which Offeror's proposal is conditioned, may result in Offeror's proposal being deemed non-responsive.

**Offeror's Proposed Deviations.** (Check one of the below.)

- Offeror has no proposed deviations to Attachment 04, Sample Master Agreement.
- Offeror proposes the deviations set forth in the table below and **will submit with Offeror's proposal a redlined copy of Attachment 04, Sample Master Agreement** incorporating each proposed deviation. Offeror understands, acknowledges, and agrees to comply with the following:
- The Lead State will not consider any proposed deviation that:
    - Is not submitted in this attachment;
    - Is not accompanied by an explanation as required in this attachment;
    - Is not reflected in redlined edits to the Sample Master Agreement and submitted with Offeror's proposal;
    - Merely references another document or a URL; or
    - Modifies the NASPO ValuePoint administrative fee.
  - Offerors may propose additional terms but must include them in this attachment and must clearly identify where any terms conflict with the Sample Master Agreement.
  - If Offeror is awarded a Master Agreement resulting from this RFP, a comparison of Attachment 04, Sample Master Agreement and Offeror's accepted deviations thereto may be posted on the NASPO ValuePoint website for examination by potential Participating Entities and Purchasing Entities.

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- Each of the following fields **must** be completed for each proposed deviation to the Sample Master Agreement:
  - **Sample Master Agreement Section Reference:** The page, section, or paragraph in the Sample Master Agreement that is the subject of Offeror’s proposed deviation.
  - **Sample Master Agreement Language:** The language in the Sample Master Agreement that the Offeror is proposing to modify.
  - **Proposed Changes and Alternate Language:** The Offeror’s proposed changes to the Sample Master Agreement language including, if applicable, Offeror’s proposed alternate language.
  - **Justification for Proposed Change:** Offeror’s justification for the proposed change.
  - **Risk and Benefits of Acceptance:** Offeror’s analysis of the risk and benefits to the Lead State, Participating Entities, or Purchasing Entities—including quantifiable costs or cost savings—if Offeror’s proposed change is accepted by the Lead State.

Sample Master Agreement Section Reference	Sample Master Agreement Language	Proposed Changes and Alternate Language	Justification for Proposed Change	Risk and Benefits of Acceptance
	None			

[Add additional rows as needed.]



## Attachment 10 CLAIM OF BUSINESS CONFIDENTIALITY

**Offeror's Claims of Business Confidentiality.** (Check one of the below.)

- X Offeror is not claiming any information within Offeror's proposal as confidential, proprietary, or protected. (Check box and skip to **Signature** section below.)
- Offeror claims the information set forth in the table below as confidential, proprietary, or protected and **will submit with Offeror's proposal a redacted copy of Offeror's proposal**, which must be clearly marked as such. Offeror understands, acknowledges, and agrees to comply with the following:
  - Each of the following fields **must** be completed for each claim asserted by Offeror:
    - **Proposal Section Reference:** The page, section, or paragraph in Offeror's proposal containing the information claimed to be confidential, proprietary, or protected.
    - **Confidential Information:** A description of the information claimed to be confidential, proprietary, or protected.
    - **Basis for Claim:** The basis for Offeror's claim shall reference the [Kentucky Open Records Act, KRS 61.878](#)
    - **Explanation:** Explanation of how the information claimed to be confidential, proprietary, or protected meets the definition of one of the bases above.
  - **Offeror may not mark pricing or Offeror's entire proposal as confidential, proprietary, or protected.**

Proposal Section Reference	Confidential Information	Basis for Claim	Explanation

[Add additional rows as needed.]

**Request for Proposals for  
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Issued by the **Commonwealth of Kentucky**  
**Solicitation Number RFP 758 2400000228**



**Signature**

By signing below, the undersigned certifies under penalty of perjury that the representations made and the information provided herein are true and correct and may be relied upon by the Lead State for purposes of determining the validity of Offeror's claim(s). Offeror understands that submission of a Claim of Business Confidentiality does not guarantee that information claimed by Offeror as confidential, proprietary, or protected will not be subject to disclosure in accordance with applicable public information laws, rules, and policies. Offeror further agrees that if Offeror fails to submit a redacted copy of Offeror's proposal, or fails to claim information as confidential, proprietary, or protected in compliance with this RFP, Offeror releases the Lead State, NASPO, NASPO members, and entities represented on the Multistate Sourcing Team from any obligation to keep the information confidential and waives all claims of liability arising from disclosure of the information.

**OFFEROR:**

  
\_\_\_\_\_  
**Signature**

4/26/2024  
**Date**

William Drazkowski  
**Printed Name**

Executive Vice President  
**Title**

narfp@fastenal.com  
**Email Address**

507-453-8723  
**Phone Number**



**Participation Form for Onsite Store Program**

Fastenal Company (herein "Seller"), with its corporate offices at 2001 Theurer Blvd., Winona, Minnesota 55987, and \_\_\_\_\_ (herein "Buyer") with its \_\_\_\_\_ offices at \_\_\_\_\_, agree, for acknowledged good and valuable consideration, to execute an Onsite Program to the \_\_\_\_\_ dated \_\_\_\_\_ between Buyer and Seller (herein "Agreement") as presented below. All other terms and conditions of the Agreement shall remain the same. The effective date of this Onsite Program is the first of the month following final signature of this form.

**TERM.** This Program may be terminated by either party for its convenience with not less than sixty (60) days prior written notice.

**SCOPE OF ONSITE PROGRAM.** This Program primarily covers Seller provided services related to the distribution and management of products through a Seller operated Onsite store location at the Buyers location(s) at:

Address	City,	State,	Zip
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Buyer is under no obligation to purchase Goods under this program. Seller's investments and services as described herein are conditioned upon Buyer maintaining a minimum of \$ \_\_\_\_\_ in monthly spend at Seller's operated Onsite location. Buyer shall meet a monthly run rate of spend commensurate to achieving and maintaining the defined monthly spend within the first twelve months of this Onsite Program. Should Buyer not achieve the minimum monthly run rate within the first 6 months, Seller reserves the right to initiate any or all of the following remedies: (1) Discontinue Seller's operation of Onsite site, (2) Immediate termination of the Onsite Program. Seller also reserves the right to periodically review spend data to verify sufficient spend by Buyer at any time during the term of this Program.

**ONSITE SERVICES.** Buyer will 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 its expense. Seller will be allowed use of Buyer material handling equipment (pallet jacks, carts, dollies, forklifts, etc.) and provide Seller's delivery truck access to Buyer's receiving dock area during normal hours of operation. Seller will install secure cage, fence, cade door, and/or cage window to secure inventory stocking area and provide appropriate racking, shelving, and bins within Onsite caged area to house Seller's inventory and equipment.

**ONSITE RELATIONSHIP ACTIVITIES.** Buyer will designate an individual as the Site Champion to serve as the liaison between Seller's Onsite Manager and Buyer's leadership, facilitate & coordinate continuous improvement events including oversight & approval of cost savings with Seller. Buyer will promote a collaborative relationship by including Seller's Onsite Manager in Buyers' production and/or maintenance planning meetings when appropriate. Seller will determine the number of Onsite personnel required to perform the services offered in the Onsite location. Seller will conduct periodic Business Reviews with Buyer's leadership, identify and document Total Cost of Ownership (TCO) reduction opportunities & cost savings and provide periodic reviews of discontinued inventory.

**TITLE.** All Supplies held in inventory at Buyer's location in Seller's secure crib shall remain the property of Seller until such time as the Supplies are made available to Buyer's personnel via Fastenal Managed Inventory Solutions (FMI-T) or otherwise used by Buyer, at which time Buyer shall be deemed to have purchased the Supplies. However, Buyer shall be responsible for any damage, loss, destruction or theft of any Supplies that Seller provides to or maintains within the Onsite store, except in the event such losses are caused by the negligence or misconduct of Seller, its employees or agents. Buyer will assist and approve or, upon request, execute any documents confirming Seller's title to the Supplies, prior to transfer of such title to Buyer as noted herein.

**EQUIPMENT.** 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 Seller utilizes and maintains in Buyers Onsite facility will remain the property of Seller, unless directly purchased, or provided, by the Buyer. Upon termination of this Agreement, Buyer will provide Seller with reasonable access to Buyer's property and Seller shall remove all such property in a timely and efficient manner. However, Seller 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 Seller.

**FASTENAL COMPANY**

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Printed Name & Title

\_\_\_\_\_  
Printed Name & Title

# ***FAST Solutions***<sup>®</sup>

## **FMI TECHNOLOGY**

### **Government Agreement for FASTVend, FASTVend Lease, FASTBin and FASTStock POD**

**Customer Name (“Customer”):** \_\_\_\_\_

**Physical Address of FMIT Equipment (US):** \_\_\_\_\_

Terms and conditions of this Agreement shall be applicable to the Fastenal’s FAST Solutions FMI Technology (“FMIT equipment”) ordered and installed at this location only.

This Agreement is made by and between the Customer and Fastenal Company (“Fastenal”). This Agreement will replace and supersede any prior agreements applicable to FMIT equipment (formerly FAST equipment) utilized by the Customer. Customer hereby grants exclusively to Fastenal the right to install FMIT equipment within Customer’s facility pursuant to an Order Form. FMIT equipment can be ordered at any time with an Order Form unless the Agreement has been terminated before the order date. Fastenal agrees to be responsible for all standard maintenance and repair of the FMIT equipment, excluding damage or destruction caused by Customer negligence (however, Customer’s liability shall not exceed the Fair Market Value (FMV) per unit listed in **Exhibit A**). The FMV represents the value of equipment and technology that Fastenal is investing in the Customer’s business. Fastenal will provide insurance to cover its liability for personal injury or property damage it causes in connection with the installation, removal, and operation of the FMIT equipment.

1. **Term:** This Agreement will be effective on the date signed below and will continue until sixty (60) days advance written notice of termination is received by either party. In the event of termination, Customer shall allow Fastenal reasonable access to the Customer’s premises for FMIT equipment removal.
2. **Ownership and Default:** Fastenal will maintain full and exclusive ownership of all FMIT equipment and Customer accepts the FMIT equipment as a bailment. Failure of Customer to comply with the terms of this Agreement or timely pay invoices will be considered a default and Fastenal has the right to terminate and remove the FMIT equipment from Customer site, at Fastenal’s discretion, with not less than five (5) business days’ written notice provided to the Customer of the default.
3. **Equipment:** Customer shall provide the physical space required for the FMIT equipment requested via the Order Form. All FMIT equipment will be stocked with Fastenal distributed products only, unless otherwise approved by Fastenal in writing. Customer acknowledges that most FMIT equipment is not intended to manage product returned to the machine unless being utilized to track assets. See Section 8 for additional information. The FMIT equipment is not NFPA rated and Customer waives any claims against Fastenal pertaining to Customer’s decision to stock hazardous materials in the FMIT equipment.
4. **Connectivity:** Customer shall timely provide all electrical and internet connections (ethernet, wireless bridge or customer supplied aircard) required for operation at no cost to Fastenal. Only if these options have been exhausted, a Fastenal supplied Aircard can be used to establish an internet connection for the FMIT equipment. If a Fastenal Aircard is used, the Customer will be subject to the Cellular Connection Fee referenced in **Exhibit A**. Customer agrees that Fastenal will not be responsible or liable for any delays, interruptions, defaults or outages with the Aircard internet connection. The Aircard connection must be utilized only in connection with the FMIT equipment and Fastenal will not be responsible or liable for any unauthorized use of the Aircard connection by Customer.
5. **Assignment:** Customer may not assign, remove or attempt to sell or transfer any FMIT equipment to another party or property, without Fastenal’s written permission.
6. **Asset Investment:** Fastenal agrees to place FMIT equipment within the Customer’s facility up to, but not exceeding, the volume of Customer’s overall purchases of products from Fastenal at the location of the FMIT equipment. After 6 months of installation, if any applicable Monthly Target Volume (MTV) is not met, Fastenal reserves the right to remove FMIT equipment or to realign the FMIT equipment value with the current sales volume of the location with the FMIT equipment. The MTV represents the ideal transaction volume associated with the capacity of the device and asset investment made. Also reflected in **Exhibit A** is the Monthly Program Value (MPV). The MPV is the value

Fastenal believes we are removing from the Customer's working capital expense by removing their need to commit to a multi-year investment acquiring, maintaining, and modifying hardware.

7. **FMIT Program Fees:** Customer will pay Fastenal the fees listed in **Exhibit A** for each piece of FMIT equipment installed at the customer if applicable. These Fees are applicable to any current or future FMIT equipment installed at the Customer pursuant to an Order Form, unless the Agreement has been terminated. Any applicable fees referenced within this Agreement and Exhibits will be invoiced on the first day of the month following the FMIT equipment installation and **monthly** thereafter. All FMIT Program Fees will be invoiced in local currency and are non-refundable.
8. **Locker Lease:** Select FMIT equipment (lockers) have the ability for Customer to track assets through a check in/out system. If utilized in this manner, a Locker Lease Order Form must be completed, and these lockers will be assessed a Locker Lease Fee as shown in **Exhibit A** and on the Locker Lease Order Form. The control board that operates these lockers is subject to the Software Fee as referenced in **Exhibit A**. FMIT equipment identified as Sensor Lockers are dispense only, check in/out system is not an option on these units.
9. **Products Terms:** All Fastenal distributed products within the FMIT equipment will be **non-consigned** and will be subject to Fastenal's "Terms of Purchase" that are posted on its website at [www.fastenal.com](http://www.fastenal.com), unless otherwise agreed to by the parties. Product pricing will be in accordance with the applicable Government contract for the Customer.
10. Customer will be subject to the terms of the 'End-User License Agreement' when using the FMIT equipment. Fastenal will not be responsible or liable for any loss, damage, expense or claim incurred by Customer arising out of the Customer's use of the FMIT equipment. Fastenal's maximum liability and Customer's sole remedy will be the refund of the Fees paid by Customer during any prior twelve month period under this agreement. This agreement shall be binding upon the parties hereto, their heirs, personal representatives, administrators, successors and assigns. This agreement will be governed and interpreted under the laws of the State of Minnesota. Parties certify authority to enter into this agreement.

<b>Customer Signature</b> _____	<b>Fastenal Signature</b> _____
<b>Printed Name</b> _____	<b>Printed Name</b> _____
<b>Title</b> _____	<b>Title</b> _____
<b>Date</b> _____	<b>Date</b> _____
	<b>Fastenal Servicing Branch</b> _____

All 3 pages of this Agreement must be submitted to [fastsolutionsagreements@fastenal.com](mailto:fastsolutionsagreements@fastenal.com) in order for the Agreement to be valid.



EXHIBIT A for Customer Name (“Customer”): \_\_\_\_\_ Branch Code \_\_\_\_\_

All fees are listed as monthly below. See Section 7 of the Agreement for the billing frequency.

<u>FMIT Equipment Type</u>	<u>Fair Market Value USD</u>	<u>Monthly Target Volume USD</u>	<u>Monthly Program Value USD</u>	<u>Monthly Software Fee USD</u>	<u>Monthly Cellular Connection Fee USD</u>	<u>One-Time Installation Fee/ea USD</u>	<u>Monthly Locker Lease Fee USD</u>
FAST 3000	\$6,250	\$1,000	\$240	GOVWaived	\$10		
FAST 5000	\$8,000	\$2,000	\$300	GOVWaived	\$10		
Stand Alone Controller	\$1,000	\$75	\$40	GOVWaived	\$10		
2 Door Vertical Locker	\$6,250	\$1,500	\$240				\$240
2 Door Horizontal Locker	\$6,250	\$1,500	\$240				\$240
4 Door Locker	\$7,500	\$1,500	\$290				\$290
12 Door Locker	\$3,250	\$250	\$125				\$125
18 Door Locker	\$5,750	\$1,500	\$225				\$225
27 Door Locker	\$7,500	\$1,800	\$300				\$300
36 Door Locker	\$9,500	\$2,100	\$375				\$375
FAST 10000 Single Door Cabinet	\$15,000	\$2,500	\$600	GOVWaived	\$10		
FAST 10000 Door-Drawer Combo	\$15,000	\$2,500	\$600	GOVWaived	\$10		
FAST 10000 Drawer Only (7 Drawer)	\$17,500	\$3,000	\$700	GOVWaived	\$10		
FAST 10000 9 Drawer	\$23,500	\$4,200	\$900	GOVWaived	\$10		
18 Door Sensor Locker	\$14,500	\$2,500	\$550	GOVWaived	\$10		
24 Door Sensor Locker	\$17,000	\$2,700	\$650	GOVWaived	\$10		
27 Door Sensor Locker	\$18,500	\$3,000	\$700	GOVWaived	\$10		
Outdoor Locker 7 Door	\$8,600	\$750	\$325	GOVWaived	\$10		
5K Chill	\$8,800	\$1,800	\$330	GOVWaived	\$10		
FASTBin Controller				GOVWaived	\$10		
FASTBin RFID	\$3,800	\$2,000	\$150			\$3	
FASTBin IR	\$75	\$40	\$3			\$3	
FASTPOD 20 - Basic	\$7,000	\$1,500	\$250				
FASTPOD 20 - Deluxe	\$20,000	\$5,000	\$750				
FASTPOD 40 - Basic	\$8,500	\$2,000	\$300				
FASTPOD 40 - Deluxe	\$30,000	\$7,500	\$1,000				
Product Locator	\$750	\$0	\$75				

*This reflects the current FMIT equipment as of the Agreement date. In the event new FMIT Equipment is offered by Fastenal, an updated Exhibit must be signed for the customer to request the new FMIT Equipment via an Order Form.*

Acknowledgement that this Exhibit has been reviewed and is acceptable. Initial below.

Customer \_\_\_\_\_ Date \_\_\_\_\_

Fastenal \_\_\_\_\_ Date \_\_\_\_\_

# ***FAST Solutions***<sup>®</sup>

## **FAST SOLUTIONS VENDING ORDER FORM - GOVERNMENT**

The terms and conditions of the FAST Solutions Agreement (including any applicable fees) shall be applicable to the FAST equipment ordered herein. Installation of the FAST equipment is required within 90 days from the Order Form date or this order will be subject to cancellation. **\*See Product Linecard for available configurations.**

<u>FAST Equipment Type</u>	<u>Qty</u>	<u>Good Faith MSI per unit</u>	<u>FAST Equipment Type</u>	<u>Qty</u>	<u>Good Faith MSI per unit</u>
FAST 5000	_____	\$2,000	FAST 10000 Single Door Cabinet	_____	\$2,500
FAST 3000	_____	\$1,000	FAST 10000 Drawer Unit	_____	\$3,000
Stand Alone Controller	_____	N/A	FAST 10000 9 Drawer Unit	_____	\$4,200
2 Door Vertical Locker	_____	\$1,500	18 Door Sensor Locker	_____	\$2,500
2 Door Horizontal Locker	_____	\$1,500	24 Door Sensor Locker	_____	\$2,700
4 Door Locker	_____	\$1,500	27 Door Sensor Locker	_____	\$3,000
12 Door Locker	_____	\$250	Outdoor Locker 7 Door	_____	\$750
18 Door Locker	_____	\$1,500	Product Locator – Surface Mount	_____	N/A
27 Door Locker	_____	\$1,800	Product Locator – Pedestal Mount	_____	N/A
36 Door Locker	_____	\$2,100			
5K Chill	_____	\$1,800			

**Customer Information:** All information below is required before the machines requested above can be ordered.

**Existing Customer Account:** \_\_\_\_\_ **Vending Account:** \_\_\_\_\_

**Customer Name:** \_\_\_\_\_

**Physical Address of FAST Equipment:** \_\_\_\_\_

**City** \_\_\_\_\_ **State** \_\_\_\_\_ **Zip** \_\_\_\_\_

**Customer Contact Name** \_\_\_\_\_

**Customer Contact Email** \_\_\_\_\_

**Phone** \_\_\_\_\_

**Fastenal Project Champion Name:** \_\_\_\_\_

**Customer  
Signature (X)** \_\_\_\_\_

**Fastenal DM  
Signature(X)** \_\_\_\_\_

**Name** \_\_\_\_\_

**Name** \_\_\_\_\_

**Date** \_\_\_\_\_

**Date** \_\_\_\_\_

**MODULAR RACKING SYSTEM** (Blue 13-Shelf Modular Racking System)

PART NO.	DESCRIPTION	MSI per unit
0542821	78"H x 48"W x 24"D Steel Blue 13-Shelf 500lb-WLL Rivet Rack Starter	\$ 90.00
0542822	78"H x 48"W x 24"D Steel Blue 13-Shelf 500lb-WLL Rivet Rack Add-On	\$ 90.00
<b>Starter &amp; Add-On Require: 72 blue bins (0501537), 1 Particle Board Shelving (0589107), 12 Wire Decking (0504554)</b>		
0501537	6"W x 4"H x 24"L Fastenal Blue Bin	\$ 2.00
0589107	24" x 48" x 5/8" Plain Drop In Particle Board Shelving	\$ 3.00
0504554	48"W x 24"D Wire Decking Shelf	\$ 5.00
0501538	Black Shelf Bin Divider for PN 0501537 Shelf Bin	\$ 0.20
05005208	Snap-In Shelf Bin Divider (for use with new design of PN 0501537 Shelf Bin)	\$ 0.20
0590221	24" x 48" Steel Gray Storage Rack Drop-In Wire Shelf	\$ 9.00



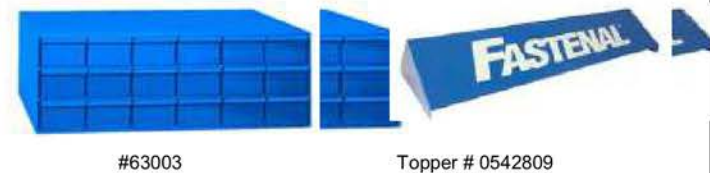
**STORAGE BINS**

PART NO.	DESCRIPTION	MSI per unit
0500928	12"D x 33-3/4"W x 23-7/8" Blue 12 Compartment Storage Bin	\$ 40.00
63362	12"D x 33-3/4"W x 11-1/2" Blue 16 Compartment Storage Bin	\$ 35.00
63363	12"D x 33-3/4"W x 19-1/4" Blue 18 Compartment Storage Bin	\$ 45.00
0500927	12"D x 33-3/4"W x 42" Blue 20 Compartment Storage Bin	\$ 70.00
62961	12"D x 33-3/4"W x 23-7/8" Blue 24 Compartment Storage Bin	\$ 40.00
63366	12"D x 33-3/4"W x 19-1/4" Blue 32 Compartment Storage Bin	\$ 45.00
63001	12"D x 33-3/4"W x 23-7/8" Blue 40 Compartment Storage Bin	\$ 35.00
62962	12"D x 33-3/4"W x 42" Blue 42 Compartment Storage Bin	\$ 55.00
63359	12"D x 33-3/4"W x 42" Blue 56 Compartment Storage Bin	\$ 70.00
63002	12"D x 33-3/4"W x 42" Blue 72 Compartment Storage Bin	\$ 50.00



**STANDARD DRAWER CABINETS** (Drawer Dimensions: 5 5/8"W x 2 3/4"H)

62955	11-5/8"D x 22-3/4"W x 7-3/8"H Blue 8 Drawer Steel Cabinet	\$ 40.00
62956	11-5/8"D x 17-1/4"W x 10-7/8"H Blue 9 Drawer Steel Cabinet	\$ 35.00
63389	11-5/8"D x 17-1/4"W x 21-1/4"H Blue 18 Drawer Steel Cabinet	\$ 60.00
63385	11-5/8"D x 33-3/4"W x 4"H Blue 6 Drawer Steel Cabinet	\$ 30.00
63388	11-5/8"D x 33-3/4"W x 7-3/8"H Blue 12 Drawer Steel Cabinet	\$ 50.00
63003	11-5/8"D x 33-3/4"W x 10-7/8"H Blue 18 Drawer Steel Cabinet	\$ 50.00
62957	11-5/8"D x 33-3/4"W x 14-3/8"H Blue 24 Drawer Steel Cabinet	\$ 80.00
63394	11-5/8"D x 33-3/4"W x 17-3/4"H Blue 30 Drawer Steel Cabinet	\$ 100.00



**JUMBO DRAWER CABINETS** (Drawer Dimensions: 5 5/8"W x 3 1/2"H)

63397	11-3/4"D x 33-3/4"W x 12-7/8"H Blue 18 Drawer Steel Cabinet	\$ 70.00
63399	11-3/4"D x 33-3/4"W x 17"H Blue 24 Drawer Steel Cabinet	\$ 100.00
63401	11-3/4"D x 33-3/4"W x 21-1/8"H Blue 30 Drawer Steel Cabinet	\$ 120.00
63398	17-1/4"D x 33-3/4"W x 12-7/8"H Blue 18 Drawer Steel Cabinet	\$ 110.00
63400	17-1/4"D x 33-3/4"W x 17"H Blue 24 Drawer Steel Cabinet	\$ 140.00
63402	17-1/4"D x 33-3/4"W x 21-1/8"H Blue 30 Drawer Steel Cabinet	\$ 160.00



**ACCESSORIES FOR STORAGE BINS & DRAWER CABINETS**

63200	34-1/8"W x 12-1/4"D x 5-3/4"H Blue <u>Base</u> for 12"D	\$ 20.00
0548763	34-1/4"W x 12-1/4"D x 29-1/2"H Blue <u>Tall Base</u> for 12"D	\$ 25.00
63408	34-1/8"W x 17-1/4"D x 5-3/4"H Blue <u>Base</u> for 17"D	\$ 25.00
0542809	33.9"W x 12-1/2"D x 5.3"H Blue Steel Middle Slope Bin Topper	\$ 7.00
0542810	33.9"W x 12-1/2"D x 6.3"H Blue Steel Back Slope Bin Topper	\$ 10.00
62969	33-3/4"W x 42"H Blue Hinged Door Set for 42"H Bins	\$ 20.00
62970	33-3/4"W x 23-7/8"H Blue Hinged Door Set for 23-7/8"H Bins	\$ 15.00

Blue Hinged Doors:



**DRILL CABINETS** (For Storing 1/16" - 1/2" x 64ths Drills)

PART NO.	DESCRIPTION	MSI per unit
0303970	Model 1 Drill Dispenser for 1/16" - 1/2" x 64ths Drills	\$ 35.00
3233513	14.7" x 7.8" FMT[REG] Fractional Drill Assortment Cabinet	\$ 20.00

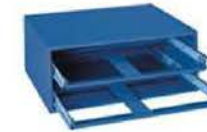


**COMPARTMENT LARGE SCOOP BOX RACKS**

PART NO.	DESCRIPTION	MSI per unit
63004	20-1/4"W x 15-7/8"D x 15"H Blue <b>4</b> -Drawer Large Scoop Compartment Rack	\$ 35.00
63372	20-1/4"W x 15-7/8"D x 7-7/8"H Blue <b>2</b> -Drawer Large Scoop Compartment Rack	\$ 25.00
63202	20-5/8"W x 15-5/8"D x 16"H Blue Large Scoop Compartment Box Rack <b>Base</b>	\$ 20.00
63373	20-1/4"W x 12-1/2"D x 15"H Blue 4-Drawer Large Scoop Compartment Rack	\$ 25.00
63407	20-5/8"W x 12-5/8"D x 15-5/8"H Blue 4-Drawer Large Scoop Compartment Rack <b>Base</b>	\$ 20.00



# 63004



# 63372



# 63202

**LARGE SCOOP COMPARTMENT BOXES**

PART NO.	NO. OF COMPARTMENTS	MSI per unit
63379	12"D x 18"W x 3"H Blue Large <b>Adjustable</b> Expandable Compartment Box	\$ 9.00
62960	12"D x 18"W x 3"H Blue 3 Vertical Large <b>Adjustable</b> Compartment Box	\$ 9.00
62959	12"D x 18"W x 3"H Blue 5 Horiz. Large <b>Adjustable</b> Compartment Box	\$ 9.00
63375	12"D x 18"W x 3"H Blue Large 6 Vertical Columns Compartment Box	\$ 9.00
63376	12"D x 18"W x 3"H Blue Large 6 Horizontal Section Compartment Box	\$ 9.00
63011	12"D x 18"W x 3"H Blue Large 12 Section Compartment Box	\$ 9.00
63012	12"D x 18"W x 3"H Blue Large 16 Section Compartment Box	\$ 9.00
63005	12"D x 18"W x 3"H Blue Large 20 Section Compartment Box	\$ 9.00
63374	12"D x 18"W x 3"H Blue Large 21 Section Compartment Box	\$ 9.00
63006	12"D x 18"W x 3"H Blue Large 24 Section Compartment Box	\$ 9.00
63007	12"D x 18"W x 3"H Blue Large 32 Section Compartment Box	\$ 9.00



# 63379



# 63375



# 63007

**COMPARTMENT SMALL SCOOP BOX RACKS**

63380	15-1/4"W x 12-5/8"D x 6-1/4"H Blue 2 Drawer Small Scoop Compartment Rack	\$ 25.00
63204	15-1/4"W x 12-5/8"D x 11-1/4"H Blue 4 Drawer Small Scoop Compartment Rack	\$ 30.00
63381	15-1/4"W x 12-5/8"D x 16-3/8"H Blue 6 Drawer Small Scoop Compartment Rack	\$ 40.00
63203	15-1/2"W x 12-1/8"D x 15-1/8"H Blue Small Scoop Compartment Box Rack <b>Base</b>	\$ 20.00



#63380



#63204



# 63381

**SMALL SCOOP COMPARTMENT BOXES**

63350	9-1/4" x 13-1/8" x 2" Blue Small <b>Adjustable</b> Compartment Box	\$ 6.00
63349	9-1/4" x 13-1/8" x 2" Blue Small 8 Section Compartment Box	\$ 6.00
63008	9-1/4" x 13-1/8" x 2" Blue Small 12 Section Compartment Box	\$ 6.00
63009	9-1/4" x 13-1/8" x 2" Blue Small 16 Section Compartment Box	\$ 6.00
63345	9-1/4" x 13-1/8" x 2" Blue Small 20 Section Compartment Box	\$ 6.00
63344	9-1/4" x 13-1/8" x 2" Blue Small 21 Section Compartment Box	\$ 6.00
63010	9-1/4" x 13-1/8" x 2" Blue Small 24 Section Compartment Box	\$ 6.00



#3350



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**SAFETY CABINETS**

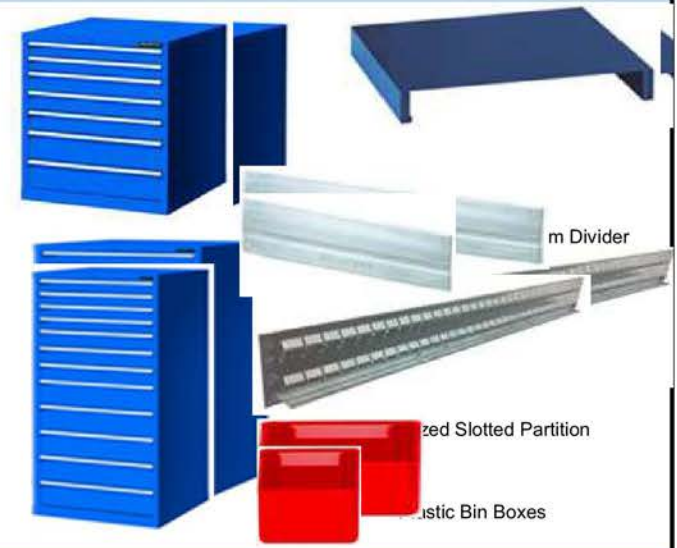
PART NO.	Capacity	Self-Closing Door	MSI per unit
1068343	30gal Yellow Steel Agent[REG] 2-Shelf Self-Close Std Flammable Storage Cabinet		\$ 220.00
1068345	45gal Yellow Steel Agent[REG] 2-Shelf Self-Close Std Flammable Storage Cabinet		\$ 260.00
1068347	60gal Yellow Steel Agent[REG] 2-Shelf Self-Close Std Flammable Storage Cabinet		\$ 302.40
1068349	90gal Yellow Steel Agent[REG] 2-Shelf Self-Close Std Flammable Storage Cabinet		\$ 354.20

PART NO.	Capacity	Manual Close Door	MSI per unit
1068342	30gal Yellow Steel Agent[REG] 2-Shelf Manual Close Std Flammable Storage Cabinet		\$ 190.00
1068344	45gal Yellow Steel Agent[REG] 2-Shelf Manual Close Std Flammable Storage Cabinet		\$ 229.80
1068346	60gal Yellow Steel Agent[REG] 2-Shelf Manual Close Std Flammable Storage Cabinet		\$ 285.90
1068348	90gal Yellow Steel Agent[REG] 2-Shelf Manual Close Std Flammable Storage Cabinet		\$ 324.20



**MODULAR CABINET (28 1/4"W x 28 5/8"D Blue Super Heavy Duty | 440lb Capacity/Drawer)**

PART NO.	DESCRIPTION	MSI per unit
05005182	59"H x 30"W x 27-3/4"D Fastenal Blue Steel 11-Drawer 208-Compartment Heavy Duty Modul:	\$ 828.64
05005181	59"H x 30"W x 27-3/4"D Fastenal Blue Steel 15-Drawer 416-Compartment Heavy Duty Modul:	\$ 687.08
05005183	37"H x 30"W x 28"D Fastenal Blue Steel 9-Drawer 224-Compartment Heavy Duty Modular Ca	\$ 529.73
05005184	37"H x 30"W x 28"D Fastenal Blue Steel 8-Drawer 160-Compartment Heavy Duty Modular Dr:	\$ 497.95
05005185	33"H x 30"W x 28"D Fastenal Blue Steel 7-Drawer 132-Compartment Heavy Duty Modular Dr:	\$ 441.82



**MODULAR CABINET ACCESSORIES**

0525017	4"H x 28-3/16"W x 27-11/16"D Dark Blue Steel Pallet Jack/Truck Base	\$ 30.00
0523304	1-3/4"H x 5-5/8"W Alum Divider for 2" Drawer	\$ 0.60
0523305	1-3/4"H x 7-7/8"W Alum Divider for 2" Drawer	\$ 0.60
0523306	2-3/4"H x 7-7/8"W Alum Divider for 3" Drawer	\$ 0.80
0523307	2-3/4"H x 5-5/8"W Alum Divider for 3" Drawer	\$ 0.70
0523482	4-3/4"H x 7-7/8"W Alum Divider for 5" Drawer	\$ 2.00
0531079	1-3/4"H x 24"L Galvanized Slotted Partition for 2.95" High Divider	\$ 2.00
0531080	2-3/4"H x 24"L Galvanized Slotted Partition for 4.92" High Divider	\$ 2.00
0542366	4-3/4"H x 24"L Galvanized Slotted Partition for 4.92" High Divider	\$ 3.00
0538188	3" x 3" x 2" Model PB-5 Plastic Bin Boxes	\$ 0.80
0538189	3" x 6" x 2" Model PB-6 Plastic Bin Boxes	\$ 1.00
0538190	3" x 6" x 3" Model PB-8 Plastic Bin Boxes	\$ 2.00
0538191	6" x 6" x 3" Model PB-9 Plastic Bin Boxes	\$ 2.00

**FIRST AID CABINETS (Empty Cabinet with Door Pouches)**

PART NO.	DESCRIPTION	MSI per unit
1014372	<u>Empty</u> 3-Shelf First Aid Cabinet w/Pockets	\$ 15.00
1014570	<u>Empty</u> 4-Shelf Agent[™] First Aid Cabinet w/Liner	\$ 20.00



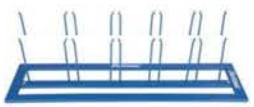
\*\* First Aid Cabinets NOT Available in Canada

**MISCELLANEOUS**

PART NO.	DESCRIPTION	MSI per unit
0501070	12-1/2"D x 20"W x 30"H Blue Utility Cabinet	\$ 40.00
62963	6-7/8" x 24-1/8" x 24" Blue 18 Compartment Threaded Rod Rack	\$ 25.00
62967	5-3/8" x 23-1/4" x 16-1/8" Blue 5-Loop Hose Clamp Rack	\$ 10.00
62968	5-3/8" x 23-1/4" x 16-1/8" Blue 10-Loop Hose Clamp Rack	\$ 15.00
62975	6-1/4" x 12-1/4" x 12" Blue 10 Compartment Key Stock Rack	\$ 15.00
0508238	51"W x 36"D x 96"H 14 Gauge EQUIPRITE Reel Rack Starter Unit	\$ 160.00
0508237	51"W x 36"D x 120"H 14 Gauge EQUIPRITE Reel Rack Starter Unit	\$ 190.00
0508242	51"W x 36"D x 96"H 14 Gauge EQUIPRITE Reel Rack Add-On Unit	\$ 120.00
0508241	51"W x 36"D x 120" 14 Gauge EQUIPRITE Reel Rack Add-On Unit	\$ 130.00
0506718	26-1/8"W x 37-1/8"H x 6"D EQUIPRITE 4-Rod Wire Spool Rack	\$ 30.00
0506719	26-1/8"W x 17-7/8"H x 6"D EQUIPRITE 2-Rod Wire Spool Rack	\$ 20.00
0506720	26-1/8"W x 10-3/8"H x 6"D EQUIPRITE 1-Rod Wire Spool Rack	\$ 20.00



# 0501070



# 62967



# 62968



Wire Spool Rack (4-Rod)

Reel Rack Starter Unit

Reel Rack Add-On Unit

***FAST Solutions***  
**BIN STOCK**  
**BIN STOCK AGREEMENT**

This agreement made by and between Fastenal Company (herein "FASTENAL") and the Customer Name reference below (herein "Customer"). This agreement shall remain in effect for a period of three (3) years from the date signed below and will automatically renew each year unless terminated. Either party may terminate this Agreement with 60 days prior written notice for any reason.

**1. Scope of Agreement:**

- a. FASTENAL to monitor and stock the Bins at no cost to Customer.
- b. Customer will provide Fastenal with space and reasonable access to the facility to conduct material handling service for Customer at mutually agreeable times.
- c. Fastenal will provide product storage bins (herein "Bins"). The Bins will be maintained on the premises of the Customer specified
- d. Fastenal shall monitor and stock Bins with FASTENAL distributed products as needed per Customer's usage requirements, unless otherwise approved by FASTENAL.

**2. Title & Risk of Loss:**

- a. Title to the Bins shall transfer to Customer after the term of this Agreement.
- b. Customer shall bear and be responsible for the risk of theft, loss, damage or destruction of the Bins unless caused by the negligence or misconduct of Fastenal.
- c. If this Agreement is terminated before the three (3) year initial term expires, all Bins shall be purchased by Customer within ten (10) days at a pro-rated price. **Prorated price = (Total Bin Value/36 months) x Number of months left in the agreement**

**3. Purchase Commitment:**

As condition of utilizing the Bins, Customer agrees to make a good faith effort to increase overall purchases at the locations of the Bins.

**4. Limitation of Liability:**

Neither party shall have any liability whatsoever for special, indirect, consequential, incidental or exemplary damages under any circumstances, whether based on tort or breach of contract claims or on any other basis, even if it has been advised of the possibility of such damages.

<b>Acct # (with 5 letter code)</b>	<b>Customer Name</b>	
<b>GOVMT Contract # &amp; entity:</b>		
<b>FASTENAL POC:</b>		
<b>Part # and # of units must be filled in before a Bin Stock project can be created</b>		
Part No.	# of units	Description (this will populate automatically)

Refer to "Bin Stock Equipment Guide" tab or Bin Stock Catalog (9704604) for available parts

**Customer Signature:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Fastenal DM Signature:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_





**CHANGE IN AGREEMENT FORM**

Acct # (with 5 letter code)	Customer Name
Project ID#	FASTENAL POC:

Total MSI for this Addition
\$ -

Adding Bins to Agreement (can only be done within 30 days of the original agreement)				
Part No.	# of units	Description (this will populate automatically)	MSI per unit	Total MSI

Total MSI for this Removal
\$ -

Removing Bins from Agreement (can be done any time after the project is created)				
Part No.	# of units	Description (this will populate automatically)	MSI per unit	Total MSI

Customer Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Fastenal DM Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Send Completed form to [binstockagreement@fastenal.com](mailto:binstockagreement@fastenal.com) or 507-494-3842





This agreement is made 11/1/2023 by and between Fastenal herein "FASTENAL" and Customer Name. located in City, State herein "Customer". For mutual promises and valuable consideration hereby acknowledged, the parties agree to the following:

1. **Service and Default:** FASTENAL hereby grants Customer, for a period of 12 months from the above date (herein "term"), the right to utilize and access FASTENAL'S FAST Crib system in its entirety within the Customer's place of business. The FAST Crib system ("FAST Crib") is identified as a web based platform to manage all assets & inventory, procure product (including products not distributed by FASTENAL) and manage preventative and warranty related maintenance. FASTENAL agrees to assist in setup of the web portal, loading of databases and initial training to fully utilize all functionality. Also, Fastenal will provide ongoing support for FAST Crib through production bug fixes and will be addressed through regular maintenance and revisions. Any form of custom development or customer specific changes to the application will not be considered. Failure of Customer to comply with the agreed Purchase Commitment described below or timely pay of product invoices and services fees will be considered a default under this agreement and FASTENAL has the right to terminate and discontinue access to FAST Crib at FASTENAL's discretion. Customer may terminate this Agreement with sixty (60) days advance written notice and provide FASTENAL a reasonable opportunity to cure a default if FASTENAL does not timely remedy the issues.
2. **Equipment:** For supporting equipment specifically identified as any scanner units, computers or tablet platforms to be utilized in conjunction with FAST Crib, the Customer is responsible for maintaining and purchasing these items separately. Existing hardware may work in most cases; however, any additional equipment, upgrades, changes, or replacements will be at the expense of the Customer.
3. **Taxes & Expense:** Customer is responsible for any state, federal, provincial and local sales and use taxes related to the use of FAST Crib. Customer shall timely provide all electrical and internet connections required for operation at no cost to FASTENAL.
4. **Assignment:** Customer may not assign, remove, copy or attempt to sell or transfer any FAST Crib access rights to another party, without FASTENAL's written permission.
5. **Purchase Commitment:** FASTENAL intends to bring value to the Customer in the form of vendor consolidation, reduced consumption, inventory control, reporting, and reducing a Customer's Total Cost of Ownership (TCO) by becoming a full line supplier. As condition of utilizing FAST Crib, Customer agrees to increase its overall purchases of products from FASTENAL at the location utilizing FAST Crib by \$5,000/month in new business to calculate the Total Required Annual Spend Increase amounts referenced in Section 11. After the initial six months of the agreement, if the Purchase Commitment Annual Sales Average (PCASA) is not met, FASTENAL reserves the right to remove access to FAST Crib or Customer will accept payment to Fastenal of \$1,000/month/site address retroactive back to the signing date of this agreement.
6. **FAST Crib Program Fees:** Customer will pay **\$1000** per month for up to **1 location and 5 cribs** for the use of FAST Cribs **Inventory & Procurement modules, Asset & Work Orders** as a Web Hosting & Technical Support Fee once live. An implementation fee of **\$5000** will be charged for each site participating in FAST Crib. The implementation fee will cover 100 hours of labor for any training, data gathering, imports, and site configuration. Additional Fastenal labor may be coordinated at a rate of \$65/hour once the 100 hour allotted implementation is reached. FAST Crib Program Fees will be invoiced **on the 1<sup>st</sup> of the month** after agreed Fast Crib Installation date and **monthly** thereafter All Fees are in **USD** funds and non-refundable. Any form of custom development or customer specific changes to the application will not be considered. Production bugs will be addressed through regular maintenance and revisions.
7. **Product Payments using FAST Crib:** FASTENAL product purchases made by Customer will be due NET 30 days after invoice date. FASTENAL will invoice Customer weekly. Non-Fastenal product purchases will be the sole responsibility of Customer and Customer will submit payment directly to such supplier, along with administration of any warranty or return functions following the purchase of such products. FASTENAL provides no warranties with non-Fastenal product purchases and will not be liable in any manner for non- Fastenal product purchases.
8. **User:** There is no limit to the number of users online utilizing FAST Crib. Only site addresses are billable for calculation of Purchase Commitment Annual Sales Average (PCASA)
9. **Following the initial term:** This agreement shall automatically renew for an additional period(s) of one year and year to year thereafter until written notice of termination is received no less than sixty days prior to the end of any term.



10. **Confidentiality:** Customer understand that FASTENAL intends to use transactional data to serve in market analysis, market development, and evaluation of products and services in support of our stocking distribution business model, and in an effort to become a more proactive distributor to meet service needs. FASTENAL will not disclose, publish or otherwise market any information received from Customer to third parties and will safeguard all data as per our standard Confidentiality Policies. FASTENAL will not be responsible or liable for any loss, damage, expense or claim incurred by Customer arising out of the Customer's use of FAST Crib. Customer acknowledges that FASTENAL is an independent contractor and not an employee, agent or representative of the Customer. Customer will be responsible for any purchase decisions conducted with FAST Crib and FASTENAL will not be deemed a partner or fiduciary in connection with this Service. This agreement shall be binding upon the parties hereto, their heirs, personal representatives, administrators, successors and assigns. This agreement will be governed and interpreted under the laws of the State of Minnesota. Parties certify authority to enter into this agreement.

Physical vs logical

Current Monthly Sales Avg. \$ \_\_\_\_\_ x12 = \$ \_\_\_\_\_ Current Annual Sales Avg.

Current Monthly Sales Avg. \$ \_\_\_\_\_ + \$ \_\_\_\_\_ Req. Mo. Spend Increase x12 = \$ \_\_\_\_\_ PCASA

EACH PARTY ACKNOWLEDGES THAT THEY HAVE READ AND UNDERSTAND THIS AGREEMENT AND HEREBY EXECUTES THE SAME.

**Customer Name**

X  /CS/  Date:  /CD/

Printed Name:  /CN/

**Fastenal**

X  /FS/  Date:  /FD/

Printed Name:  /FN/

**INTERNAL USE ONLY BELOW – FASTENAL BRANCH TO COMPLETE**

**\*\* Create a FAST Crib Account Number \*\***

5 Digit Branch Code	Existing Customer Account #	Required FAST Crib Account #