

General Specifications for Industrial Supplies

1. Purpose

In this Invitation to Bid (“ITB”), the State of Tennessee (“State”) is seeking to award up to three (3) contracts per category (“Contract”) to Supplier(s) that can satisfy the State’s Industrial Supplies needs. Supplier(s) awarded a Contract pursuant to this ITB shall provide Industrial Supplies to all Authorized Users at the same price and under the same terms and conditions.

The State invites all potential Respondents to provide competitive prices and quality, along with strong organizational capabilities. Additionally, the State will curtail **State** spend outside of the categories and subcategories listed in **Section 3**. Respondents must have the ability to restrict or block State purchases on certain categories and subcategories of items and must work with the **State to minimize and eventually** eliminate spend on items specified in the categories and subcategories listed in Section 4. The list in Section 4 is not all inclusive of the items, categories or sub-categories that need to be blocked. The Supplier will work with the State to achieve **100% compliance** in all State approved Categories and Sub-Categories.

Non-Exclusive Contract: Agencies are advised that this contract is non-exclusive. Agencies may obtain industrial supplies from other sources if determined to be in the best interests of the State of Tennessee.

2. Key Outcomes

By awarding one or more Contracts pursuant to this ITB, the State seeks to accomplish the following:

1. To obtain competitive pricing by leveraging a Respondent’s specialization in a certain category
2. To minimize **and eventually eliminate** spend on items that are not specified in the categories and subcategories listed in Section 4. The list in Section 4 is not all inclusive of the items, categories or sub-categories that need to be blocked.
3. To reduce cost through operational efficiencies

3. Historical Spend

The following figures convey historical spend by State agency Authorized Users. The numbers can be used as estimates for future demand by State Authorized Users. However, all dollars **spent** are estimates only and the State shall not be obligated to purchase a minimum quantity of items.

Category	Average Yearly Historical Spend
Commercial Cleaning and Janitorial	\$1,468,45800
General Industrial	\$2,998,254.00
HVAC and Refrigeration	\$728,836.00
Electrical	\$990,966.00
Plumbing	\$1,184,946.00
Safety	\$1,285,650.00
Security	\$155,478.00

Industrial Hand Tools/Supplies	\$128,200.00
Lighting	\$296,000.00
Plumbing Fixtures	\$300,000.00

Given the average yearly historical spend, the State estimates an Estimated Liability of \$49,000,000 across five years, which is the Maximum Term for this Contract.

The Subcategories that fall within the scope of this ITB are listed in the Attachment A: SWC 235 Evaluation Model

4. Categories and Subcategories Not Allowed on this Contract

The State has chosen ten categories, each with catalog subcategories, to classify items that can be purchased on this Contract. Suppliers must work with the State to eliminate the purchase of items that do not fall into their respective categories and catalog subcategories. The following are subcategories that are an example of the ones not allowed to be sold through this Contract. **This list is not all inclusive.** Other subcategories will be added as needed.

- Paper Products
- Personal Care Products
- Bicycles and Scooters
- Camping Equipment
- Drums
- Furniture, Hospitality, and Food Service Items
- Lab Supplies
- Office Supplies
- Paint, Equipment and Supplies
- Raw Materials
- Reference and Learning Supplies
- Uniforms / Workwear
- Self-Defense and Law Enforcement Items
- Lawn Mowers (Push and riding)
- Body Armor / Riot Equipment
- Permanently-installed items such as but not limited to generators, garage doors, central HVAC units, guardrails, stairs, etc.
- Automotive Products and Specialty Tools
- Medical Supplies
- Laundry Supplies
- Cell phone, radio supplies, computer, and other communication equipment
- Forestry and Agricultural Supplies including but not limited to agrochemicals, wildland firefighting equipment, crop products, forest management products, etc.
- Building Supplies such as paint, doors, and windows
- Traffic Management Supplies such as cones, cold patches, etc.
- Safety chemical and protective suits
- Shower Curtains
- Motorized lawn maintenance equipment
- Law enforcement items such as body armor

- Central HVAC units
- Gun and Permanently Installed Safes
- Trash bags
- Value added services such as but not limited to design work, space consulting, inventory management, building maintenance, etc. Free services such as safety courses are excluded from this exemption.
- Custom or made to order items
- Drones
- Portable lifts
- Individual orders greater than \$10,000 in value require prior approval from the CPO Contract Administrator prior to them being able to be considered a contract purchase. Awarded Supplier(s) shall provide the CPO Contract Administrator details concerning the request from the purchasing agency.

5. Categories and Sub-Categories

Bidders must provide discount percentages for 100% of the subcategories listed in each category they are responding to. Bidders may respond to one or more categories. Corresponding catalogs must also be submitted as part of the bid for each category responded to. **The submitted catalog(s) can be either an online catalog, an attached catalog (e.g., in either PDF or MS Excel format), or catalog link containing subcategories .Categories and Sub-Categories are more broadly defined through example product lines in Attachment A: SWC 235 Evaluation Model.**

Pricing must include, restocking, and administrative costs associated with the product. For Delivery pricing, see Specifications Section 11.

The awarded Supplier(s) shall submit a **monthly spend report** as part of regular business reviews and may be required to meet with the State to discuss the items that are being purchased under this Contract.

6. Product Availability

The Supplier must communicate manufacturer's discontinuation of any products to the State Contract Manager in writing within at least 30 calendar days of the item's discontinuation. In such instances, Supplier shall work with the State Contract Manager to identify and implement alternative options that shall maintain or reduce costs and supply equal or greater quantities per UOM associated with the replacements. The Supplier shall be prepared to offer detailed quarterly reports if requested by the State, displaying removed items off contract list and suggested replacements.

7. Order Fill Rate

Order fill rates will be maintained at 98% or greater for all orders. Order fill rate, will be defined as "the total number of items on an order filled completely and delivered within the delivery time frame divided by the total number of items on an order." If an item cannot be delivered within five (5) days, the Authorized User must be updated on the delay and can cancel the order at its discretion.

8. Order Confirmation

The Supplier shall send an order confirmation to the Authorized User, according to industry best practices.

9. Customer Service

Suppliers must provide the State with a customer service team that will be dedicated to this Contract and be available, at a minimum, on Monday through Friday from 8AM to 5PM Central Time. Suppliers must provide a toll-free telephone number, a toll-free, facsimile number, and an email address to contact the customer service team to place orders and answer any questions. This team will take orders from any State Authorized User. The team's prime responsibilities consist of managing their network's distribution and warehousing centers that carry the requested part and arranging prompt delivery to the State's locations. This team will play an important role in achieving the delivery required by various agencies.

The team must be knowledgeable, qualified, and experienced in its respective so that it can assist the Authorized User's maintenance and procurement personnel in providing advice on the type of parts that best suit its needs.

The Supplier shall provide the State of Tennessee an emergency contact person for use in times the State either declares a State of Emergency or anticipates an emergency such as a severe weather event.

10. Delivery

The Supplier(s) shall separate the cost of delivery from the cost of the product(s) being procured. The Supplier(s) shall offer the following delivery options and shall have separate pricing for each of the delivery options:

1. Supplier(s) shall offer a local pick-up option as a free delivery option. Local pick-up options must include a minimum of a five percent (5%) discount to the total cost of the product being purchased.
2. Emergency or Expedited Deliveries - For all Emergency or Expedited Deliveries (i.e., delivery within 24 hours) Authorized Users must contact the awarded Supplier(s) to receive an exact quote, as additional freight charges may be incurred.
3. Two to Three Business Day Delivery - This delivery option shall be delivered to the Authorized User within two (2) to three (3) business days following receipt of order.
4. Four to Five Business Day Delivery – This delivery option shall be delivered to the Authorized User within four (4) to five (5) business days following receipt of order.

11. TN SmartShop

If the Supplier(s) maintains an online marketplace then the Supplier(s) may participate in the TN SmartShop initiative. TN SmartShop is an e-marketplace of active statewide contracts where Authorized Users can leverage the buying power of the State to purchase goods and services. The Supplier shall provide and maintain an up-to date online catalog containing items in all categories listed above. The Supplier shall indicate in-stock and out-of-stock status, green or environmentally friendly options, and identify alternative items that are available if an item is listed as out-of-stock.

12. Smartshop Requirements and Key Performance Indicators:

The Supplier shall only include items in TN Smartshop that is within scope of this Contract and within scope of the categories awarded to Supplier. The Supplier shall be solely responsible for blocking Categories not within scope or not awarded to a Supplier of this contract from TN SmartShop. If the State discovers an item on a Supplier's TN Smartshop account that is not within scope of their awarded category or subcategory then the Supplier shall remove the item within 48 hours. Items over \$5,000 or any item considered an asset to the State of Tennessee shall not be purchased or sold from TN Smartshop. Asset items can still be purchased through this contract but must be done through the State's Purchase Order process.

If the Supplier is found to have violated this provision three times within a calendar year, then the Supplier's TN SmartShop account will be removed. Supplier shall only be able to regain their TN SmartShop account after delivering an action plan outlining how the Supplier shall properly manage the TN SmartShop account so that it is compliant based on this contract's scope and scope within each individual Supplier's awarded categories. Upon submission of this action plan, the State reserves the right to either restore the Supplier's Smartshop account or reject the action plan if the State does not believe the action plan properly mitigates the previous compliance problems moving forward.

13. Catalog Updates

Products available under the SWC will be contained in "catalog extracts" from published catalogs, price lists or price schedules as defined herein that will be maintained and distributed electronically to all State Agencies by suppliers. These extracts will contain only the portion of the product line that falls within the scope and intent of this Invitation to Bid and was selected for inclusion in the extract by the State of Tennessee. Since Industrial Supplies changes rapidly and since not all manufacturers bring new products to market concurrently, the State will determine, in collaboration with both SWC suppliers, which products it will consider for addition in the catalog extracts. These additions or changes will require certification as described in this Invitation to Bid. This certification may be at the expense of the supplier.

Escalator Clause, Automatic Catalog P/I. Unit prices listed in the specific catalog or price list offered shall constitute the base price unit or unless changed by the publisher of the catalog or price list. A Supplier may increase and shall decrease the price of individual products during the term of the contract to reflect changes in the catalog or price lists that are publicly published and applicable to all customers external to the State. Base prices for any individual product sold under this contract may not be increased at a rate higher than offered to any other customer. The Supplier agrees to furnish proof of such price changes upon request.

Fixed Bid Percentage Requirements – Bid percentage (%) discount must be fixed for the entire term of the contract, unless Supplier offers a higher percentage (%) discount and the change would be in the best interest of the State.

14. Brick and Mortar

The awarded Supplier(s) shall offer State of Tennessee Authorized Users the option to visit Brick and Mortar stores throughout the State, if available, to purchase items within their awarded catalog(s). Discounts applied for in person purchases shall be the equivalent or better to those offered through other traditional means such as TN Smartshop orders or Purchase Orders. For Brick and Mortar purchases, the awarded Supplier(s) shall accept the State of Tennessee's purchasing card.