



Edwin M. Lee  
Mayor

Jaci Fong  
Acting Director  
Purchasing

10/03/2017

To: **DISTRUBITION LIST**

From: **Office of Contract Administration**  
Howard Tevelson, Senior Purchaser

Subject: **Changes to W. W. Grainger's Catalog discount Pricing. TC74103, Contract ID  
Number 1000001664**

W. W. Grainger's corporate office have made a decision to become more competitive with their pricing structure. They have reduced prices on their corporate on line catalog. Since the City has its own on line Grainger catalog, the discount structure of the City's catalog needed to be adjusted to conform with Grainger's corporate pricing.

After reviewing all the information concerning this issue, the City has determined it would be in our best interest to make the required adjustment to our discount percentages. Although the new discounts are lower, so are Grainger's new catalog prices. The Office of Contract Administration has analyzed the new pricing and how found there is a net neutral outcome from the changes that are being made. Part of the evaluation showed that 90% of all the differences were within plus or minus \$1.00.

I will restate that it is in the best interest of each department to look at both of the catalogs for Industrial Contracts, Grainger 1000001664 and MSC 1000001663, to determine the lowest price item based on the price and the discount of the item being purchased by your department.

If there are any questions concerning the modification please call or e-mail me:

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Senior Purchaser  
Office of Contract Administration  
City Hall Room 430  
1 Dr. Carlton B. Goodlett Place  
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City and County of San Francisco  
 Office of Contract Administration  
 Purchasing Department  
 City Hall, Room 430  
 1 Dr. Carlton B. Goodlett Place  
 San Francisco, CA 94102-4685



## Contract Modification 1

### Industrial Supplies

W. W. Grainger  
 ATTN: Timothy Jones  
 100 Grainger Parkway  
 Lake Forest, IL 60045  
 E-mail: timothy.jones@grainger.com

Date: 10-02-17  
 Buyer Name: Howard Tevelson  
 Term contract: 74103  
 Contract ID No. 1000001664  
 Type: Indefinite quantity  
 Not-to-exceed amount: \$ 4,000,000.00

The history of this contract and its modifications is as follows:

Modification	Start Date	End Date	Amount	Other Changes
Original contract	05-01-17	04-30-20	\$ 4,000,000	
1	05-01-17	04-30-20	No Change	Changes Discounts Percentages

This Contract Modification 1 changes the contract as follows:

The Contract allows for changes to the discount percentages on Grainger on line catalog. . See Attachment A attached.

All other terms and conditions remain the same.

Approved by the City: *Jaci Fong* for 10/2/2017  
 Jaci Fong, Director of OCA and Purchaser Date

Approved by Contractor: *Timothy Jones* 10/4/2017  
 Signature Date

Name and title Tim Jones, Government Sales Manager.

10/02/17  
Attachment A  
Industrial Supplies  
TC74103

Sheet B

	Old Catalog Discount %	New Catalog Discount %
1. Justright Mfg. Co.	<u>27%</u>	<u>14%</u>
2. Makita	<u>20%</u>	<u>5%</u>
3. 3M	<u>28%</u>	<u>15%</u>
4. Lenox (Blades)	<u>28%</u>	<u>15%</u>
5. Ridgid Tools Co.	<u>20%</u>	<u>5%</u>
6. Milwaukee	<u>20%</u>	<u>5%</u>
7. Kimberly Clark	<u>18%</u>	<u>3%</u>
8. Rubbermaid Commercial	<u>30%</u>	<u>17%</u>
9. Ingersoll-Rand Co.	<u>20%</u>	<u>5%</u>
10. Durham MFG. Co.	<u>25%</u>	<u>11%</u>
11. Black and Decker (INC Dewalt)	<u>20%</u>	<u>5%</u>
12. Eagle Mfg. Co.	<u>20%</u>	<u>5%</u>

Sheet D

13. <u>Dayton</u>	<u>25%</u>	<u>11%</u>
14. <u>Westward</u>	<u>25%</u>	<u>11%</u>
15. <u>Speedaire</u>	<u>25%</u>	<u>11%</u>
16. <u>Tough Guy</u>	<u>25%</u>	<u>11%</u>
17. <u>Condor0</u>	<u>30%</u>	<u>17%</u>

*New discount will in effective October 16, 2017*

Sheet A

	Old Catalog discount %	New Catalog Discount %
18. HVAC Equipment and Supplies	<u>25%</u>	<u>11%</u>
19. Air Filters	<u>40%</u>	<u>29%</u>
20. Specialized Industrial Cleaning and Supplies	<u>18%</u>	<u>3%</u>
21. Motors, Power Transmission, Accessories and Supplies	<u>25%</u>	<u>11%</u>
22. Hand Tools	<u>20%</u>	<u>5%</u>
23. Power Tools and Accessories	<u>20%</u>	<u>5%</u>
24. Material Handling, storage and Packaging	<u>25%</u>	<u>11%</u>
25. Safety and Security Supplies	<u>25%</u>	<u>11%</u>
26. Personal Protective Equipment	<u>25%</u>	<u>11%</u>
27. Electric Equipment and Supplies	<u>18%</u>	<u>3%</u>
28. Hardware and Fasteners	<u>18%</u>	<u>3%</u>
29. Batteries and Flashlights	<u>18%</u>	<u>3%</u>
30. Pumps and Plumbing Supplies	<u>23%</u>	<u>9%</u>
31. Pneumatic Tools and Supplies	<u>18%</u>	<u>3%</u>
32. Welding and Soldering Supplies	<u>25%</u>	<u>11%</u>
33. Outdoor Garden Equipment and Supplies	<u>18%</u>	<u>3%</u>
34. Paint, Lubricants, Sealants, Accessories and Supplies	<u>25%</u>	<u>11%</u>
35. Metal Working and Machine Cutting Tools, Equipment and Supplies	<u>25%</u>	<u>11%</u>
36. Absorbents	<u>25%</u>	<u>11%</u>

Sheet C

37. Pumps	<u>25%</u>	<u>11%</u>
38. All other categories in the Grainger Catalog that are not prohibited	<u>18%</u>	<u>3%</u>

*New discount will in effective October 16, 2017*