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Vending Proposal Response for City of Laredo

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1. Implementation & Maintenance

a) Monthly cost for use of the vending machine?

Fastenal will provide vending at no cost to the City of Laredo and will waive air card fees for any City of Laredo location that will use this option. The only cost associated with our vending program is the cost of the product purchased. We own the devices and do not charge customers for hardware use, service, support, or anything else.

b) What is the minimum cost for restocking the vending machine? Is there a minimum supply order?

There is no additional restocking fee or minimum supply order for our vending program.

c) What is the minimum and maximum term of the contract?

Initial Term: July 1, 2018 through June 30, 2023.

Renewal Options: Option to renew for two (2) additional one-year periods through June 30, 2025 EXTENDED THROUGH June 30, 2026. UC may renew the Agreement according to policy for two more years with a maximum contract term of 10 years. Suppliers will be notified in writing before extending the contract past June 30, 2026.

e) The proposal must reference a cooperative contract.

Fastenal intends to have City of Laredo utilize OMNIA Partners University of California, CA Systems Contract # 2018.000208 for Maintenance, Repair, Operations (MRO) Supplies and Related Services.

Features include:

- Possible Rebates & Growth Incentives
- No Minimum Order Requirements
- All Fastenal Vendor Managed Solutions
- Access to National Market Basket
- Discounts off Fastenal's Entire Product Offering – Including Sourced Parts
- MWBE (SWaM) Tier 1&2 Programs
- Ability to Create Custom Market Basket

OMNIA Partners, Public Sector is the nation's largest and most experienced cooperative purchasing organization dedicated to public sector procurement. Their immense purchasing power and world-class suppliers have produced a comprehensive portfolio of cooperative contracts and partnerships, making OMNIA Partners the most valued and trusted resource for organizations nationwide. For more information, please visit www.omniapartners.com

2. Maintenance and Repair Services

a) What is the cost for maintenance and repair services?

This is provided at no cost to the City of Laredo.

3. Size and Shape of PPE Items

a) Is there a difference in cost of the size and shape of the vending machine?

No. Fastenal will provide machines to accommodate the City of Laredo's PPE needs at no additional cost. We offer a diverse lineup of devices with common features such as 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.

4. Stock Control

a) Software available to track the issuance of safety supplies? Reports available?

Yes. Fastenal provides inventory and spend visualization through FAST 360°, an on-demand reporting dashboard accessible via Fastenal.com. 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

A 'digital blueprint' of how Fastenal-managed inventory is organized across multiple facilities. Account holders can click on a facility, a location within that facility, the individual vending and bin stock devices within the location, and planograms of specific devices (a view similar to standing in front of the device and seeing what's in each inventory position).



MY INVENTORY

This tool takes the above data and makes it searchable. Account holders can search to see if a needed item is on hand and exactly where it's located, down to the specific vending or bin position. Filters and tools make it easy to search for products by product category tree, item description, or SKU (including your own internal part numbers).



MY SPEND

A suite of tools to analyze Fastenal purchasing activity based on invoice data. Local account holders can filter data by time period, account number, facility, supply channel, product category, or even an individual SKU to dial in on very specific aspects of spend. This produces a high-level view of that spend along with the SKU-level activity behind it.

VENDING SOFTWARE

Our FASTVend solutions are powered by cloud software that enables account holders to monitor and manage the vending devices anytime, anywhere, 24/7. Managers can use the reporting tools to trace each dispensed item to an individual user, a location and time, and if desired, accounting metrics such as a GL code or job number. This information can be used to address over-use issues, simplify job costing, and gain a new level of insight into how products are being used throughout the facilities.

5. Ease of Vending PPE Items

a) Time needed to issue safety supplies?

All of our machines run on the same user-friendly software platform. From the keypad on each machine to the administrative features and reporting, we want our customers to be able to use our technology without hours of training.

Each vending transaction takes approximately 1 minute to complete. Additionally, Fastenal tests and certifies each product for vending to ensure reliability. Our 5K and 3K devices incorporate patented Verified Vend™ technology which checks and verifies the accuracy of each vend. If the machine is loaded correctly, you will enjoy trouble-free vending.

If congestion at the vending device becomes an issue for the City of Laredo, upon mutual agreement, we can invest in additional vending devices to ensure City of Laredo personnel get the safety supplies they need in a timely and efficient manner.

6. Vending Repairs & Contingency Plans

a) What is the minimum time to have a machine fixed?

Most basic fixes and/or adjustments can be completed by our local teams typically same or next-day. Larger repairs that may require replacement parts or reconfigurations can be completed by our regional service center personnel typically within 1 week.

If City of Laredo's vending device is unusable for a period of time, we can provide manual access to the needed product. Depending on the vending device, we can provide a key to a site supervisor, so the device can be unlocked and items can be taken. Our local fulfillment center will also house emergency stock and can deliver product if items cannot be accessed.

Additional Inventory Management Solutions

In addition to the vending solutions mentioned in the previous sections, Fastenal offers a wide array of inventory management solutions tailored to meet the needs of each site. Following the completion of a site assessment or Total Cost of Ownership Analysis to understand the needs of the site, we can offer the following programs to meet your inventory needs.

FASTBin Technology Overview

As part of our mission to ensure continuous supply to your 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 your local needs, we can provide the following solutions to make our bin stock service more efficient and proactive.



FASTBinSM – 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.



FASTBinSM – 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.



FASTBinSM – 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.

How does your business benefit?

- **PROACTIVE SUPPLY CHAIN** – 24/7 inventory visibility allows us to better plan our upstream supply chain and local service to stay in front of your demand. The system includes suggested replenishment guidance for our local teams, reducing the risk of human error.
- **INVENTORY REDUCTION** – With a more nuanced view of your usage dynamics, we're able to dial in on optimal min-max levels to achieve your inventory reduction goals.

- **PRODUCTIVITY** – FASTBin makes your teams more productive by eliminating stock-outs. It also makes our teams more productive by eliminating repetitive tasks. Less time spent walking and monitoring means more time to focus on projects and problem-solving for your business.

Onsite Program Overview

Our local branches position us within minutes of your facilities. 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 your 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 your working capital 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?



THE ELEMENTS OF ONSITE

					
EFFICIENCY	AGILITY	RELEVANCE	CREATIVITY	SUSTAINABILITY	EFFECTIVENESS
Eliminating waste, capturing time, and measuring the impact.	Analyzing and adapting to maintain an efficient supply flow in the face of shifting production needs.	Reflecting your unique needs, priorities, and goals.	Challenging conventions and continually seeking a better way.	Instilling lasting improvements and long-term value; bringing solutions aligned with your social and environmental goals.	Enabling you to focus on what matters most to your business.

The Onsite Advantage



EXPERTISE

Your onsite teams will do more than fill orders and bins. They become experts in your operations and the products you need 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 your local staff, but without being on your payroll. Leverage our energy and expertise to free up labor resources and operate more efficiently.



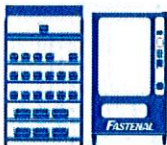
WORKING CAPITAL

When we move onsite, we sell down your current inventory and phase in our own. Moving forward, the inventory remains on our books until it reaches your floor stocking locations – a dollar-for-dollar improvement in working capital.



CONSOLIDATION

The synergy and efficiency of the onsite model allows us to manage an even broader range of products used in your business, expanding opportunities to consolidate, simplify, and leverage.



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, and data analytics.



SCALABILITY

Our onsite programs range from less than \$1M to over \$70M in revenue (for a single site). This speaks to our ability to operate cost-effective solutions for both very large and relatively small facilities.



EXPERIENCE

With 1,200+ 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 your facilities.

Thank you for considering Fastenal!

We hope this proposal sparks some questions and potential discussion points. In closing, we believe our advantage centers on two concepts:

A 'GLOCAL' MODEL

A unique combination of global scope and local engagement, with a willingness to invest in a custom stocking and service program for each of your facilities.



A PARTNERSHIP MINDSET

A commitment to move beyond an adversarial buyer/seller paradigm to pursue common goals, open communication, and shared long-term success.

Thank you for taking the time to better understand the value we can provide as a supply chain partner. We appreciate the opportunity to further our partnership with the City of Laredo!


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