

## REVISED Exhibit B-1 - Vending Machines



With tens of thousands of machines currently implemented at customer sites, Contractor is the dominant leader in industrial vending. Why? It's a combination of Contractor's innovative technology, Contractor's low-cost, no-risk program, and most

important of all, Contractor's "machine behind the machine" – the thousands of local Contractor personnel making sure each solution is perpetually filled, functioning, and fully optimized for maximum savings.

- Wide variety of machines to support virtually any product needs.
- Dynamic web reporting – view real-time usage data when, where and how you want to see it.
- Machines provided free of charge based on a one-year renewable service agreement **in a form substantially similar to the Master Agreement #8497, Revised Exhibit B-1, Appendix 1, "FAST Solutions Agreement/Locker Lease Government" Form incorporated by reference.**
- Participating Entity's servicing Contractor branch teams monitor and replenish the machines – no paperwork or labor required.
- Dedicated vending specialists work hand-in-hand with Contractor's local branches to analyze usage patterns, suggest areas for improvement, and make sure the solution is driving the results you want to see.
- Contractor's industrial vending solutions have the added benefit of reducing product consumption, typically by 25–35%.

### FAST 5000 & FAST 3000

With tens of thousands of units driving results at customer sites, this is most widely-used industrial technology in the world – a simple, versatile solution to track and control items ranging from PPE to general MRO items. The FAST 3000 is simply a more compact version of the FAST 5000. Both can function as stand-alone solutions or used in conjunction with Contractor's standard lockers.

### Standard Lockers

Contractor's standard (semi-secure) lockers are used to: 1) track and control access to larger-sized consumable products (relying on the user to enter the quantity taken), and 2) automate check-out and return of tools and other assets. They can be used with a standalone controller or in conjunction with a FAST 5000 or FAST 3000 machine.

### FAST 10000SL (Secure Locker) Series

This next-generation technology extends the benefits of vending to four very common (yet traditionally difficult to vend) product types: 1) boxes, 2) cylinders/cans, 3) 'floppy' items (Tyvek suits, belts, hoists, etc.), and 4) loose components (fasteners, fittings, cutting tools, etc.). The machines automatically sense and report the exact amount taken by each user, providing per-item traceability and a frictionless 'grab and go' experience.

### Outdoor Lockers

With a tough steel exterior, ruggedized electronics and optional temperature control, these lockers are built to operate in harsh outdoor environments. Keep tools perpetually stocked, secure and accessible on the jobsite, and automatically track check-out/check-in of expensive tools.

### FAST CT (Cutting Tool) Machines

Designed to dispense and track inserts and round tools, either individually or in pre-determined quantities. The compact design of the machines (combined with the low cost of Contractor's vending program) makes it practical to install multiple point-of-use machines throughout the shop (versus a single centralized unit) for increased productivity.

### FAST Bev

Provides 24/7 access to chilled beverages at the point of use along with reporting to ensure workers are receiving proper hydration during the day – an efficient solution to drive compliance with Participating Entity’s hydration program. (Subject to state and local restrictions.)

### **Additional Value Added Solutions**



Contractor’s bin stock solutions are a perfect fit for any production and MRO items you cannot dispense out of a vending machine but are still needed on Participating Entity’s shelves. Each solution is unique, but all share three common elements:

1. A labeled location and min/max inventory range for each part.
2. A nearby Contractor branch to carry the inventory and make sure you always have just the right amount on hand.
3. Detailed usage reporting by location, clarifying ‘how much of which parts should be stocked where.’

#### Manual Solutions:

##### *Contractor Managed Inventory (FMI)*

Save time and money by utilizing Contractor’s local experts to manage Participating Entity’s bin stock inventory.

- We organize & label new or existing bins, collaborate to establish initial min/max levels and service schedule.
- We visit regularly to monitor & replenish inventory.
- Suggested replenishment orders are submitted, reviewed and approved via Contractor.com.
- Flexible delivery (we deliver to dock or put product away).

##### *FAST Scan*

If you prefer to handle the scanning and ordering internally, Contractor will provide an iOS-based scanning solution for Participating Entity’s personnel to quickly generate replenishment orders.

- We organize and label bins and shelving.
- We set up profiles for local users on Contractor.com and provide scanning devices.
- Participating Entity’s local personnel determine inventory levels and controls.
- We provide flexible delivery, reporting, and suggestions for improvement.

#### Electronic Solutions:

##### *FAST Scale*

Utilizes weight sensor technology to provide a real-time view of Participating Entity’s exact quantity on hand (QOH) – a good fit for critical production parts. Users log onto Contractor.com to view live inventory levels and adjust reorder triggers.

- We install the scale system, organize and label parts.
- An order is automatically generated when stock hits ‘min’ level.
- View and approve suggested orders via Contractor.com.
- Flexible delivery (we deliver to dock or put product away).

##### *Auto Bin (coming soon)*

Offers a real-time view of Participating Entity’s inventory ‘health’ (‘above min,’ ‘below min’ or ‘out of stock’ – not exact QOH) along with electronic signals prompting replenishment when stock runs low. There are two basic options:

- Infrared Bins – An order is triggered when stock falls below a specified ‘water mark’ in the bin.
- 2-Bin System – An order is triggered by placing the empty bin next to an RFID chip built into the shelving.



The purest expression of Contractor's local service philosophy is Contractor's Onsite service model, positioning not only Contractor's solutions but also Contractor personnel and Contractor-owned inventory – essentially a dedicated branch – within the walls of

Participating Entity's facilities. Just like vending and bin stocks, this is a natural extension of Contractor's distribution infrastructure and a model we've pioneered in Contractor's industry.

#### The Contractor Onsite Advantage:

- Full program customization based on process mapping exercise.
- Dedicated onsite Contractor team to handle all inventory management functions – the first time Participating Entity's employees touch the product is at the point of use.
- Consigned onsite inventory within the Contractor crib – we own it until it's on Participating Entity's production floor.
- Customized inventory modeling to eliminate stock-outs.
- Immediate access to planned needs (within Contractor's crib) and a variety of spot-buy needs (via Contractor's local branch).
- Detailed, flexible reporting based on Participating Entity's business priorities.
- Deep collaboration, including participation in Kaizen events and other company initiatives. (As we like to say, it's like having a team of supply chain experts on Participating Entity's staff, but not on Participating Entity's payroll.)

#### How Will Participating Entity's Business Benefit?

- ✓ Save money
  - Lower markup structure (reflecting Contractor's lower operating costs vs. Contractor's traditional branch-based service model).
  - Utilize Contractor labor for purchasing, quality inspection, inventory management, etc.
  - Reduce transportation costs through better inventory planning and utilization of Contractor's trucking system.
- ✓ Reduce inventory/working capital
  - Upon moving Onsite, we will sell down Participating Entity's current inventory and replace it with Contractor's own.
  - Moving forward, the inventory in the Contractor crib is on Contractor's books until we move it to the production floor. This transformation creates a dollar-for-dollar reduction in Participating Entity's working capital.
- ✓ Gain efficiency in Participating Entity's facility
  - Simply put, we are experts – with the knowledge, solutions, and systems to run a truly world-class supply chain for Participating Entity's business.
  - Put Contractor's decades of experience to work for you in the areas of quality/source control, OEM critical spares management, inventory planning, point-of-use supply flow, and other critical activities.

Contractor's FAST Solutions agreement(s) (vending, bin stock, onsite) will be executed and/or incorporated in the resulting Participating Addendum with the respective state and/or political subdivision.

#### **Industry-Specific Services and Specialists**

As a complement to Contractor's local branch sales force, Contractor has trained and deployed hundreds of industry specialists to provide high-level support in key areas of Contractor's business, including:

#### Safety

To support Contractor's safety product offering, we've positioned 50+ trained Safety Specialists across the U.S. and Canada. These personnel carry multiple certifications, including Masters in Occupational Health and Safety, QSSP Certification, and OSHA 30-Hour Training. Their job is to identify hazards, document risk factors, garner worker feedback regarding PPE, and ultimately develop a business plan to reduce workplace incidents while maximizing productivity and profits.

Working with Contractor's key safety suppliers, Contractor's Safety Specialists provide trainings and PPE equipment assessments for the following concepts:

- Eye Protection – product selection/rationalization, fit testing
- Hearing Conservation – fit testing
- Face and Head Protection
- Respiratory Protection – qualitative fit testing
- Skin Care Needs Analysis – prevention/reduction of occupational dermatitis, reduction of sick days
- Hand Protection – job-specific assessments, product testing
- Fall Protection – application assessment, harness/lanyard inspection, competent person training
- Ladder Inspection and Certification
- Hoist and Sling Inspection and Certification
- Heat Stress Evaluation – program development
- Spill Containment and Flammable Storage
- Lock Out/Tag Out Program
- AED, BBP, First Aid Training
- ARC Flash Assessments

#### Manufacturing/Metalworking

As part of Contractor's metalworking product expansion, we've stationed 40+ Metalworking Specialists across North America. These individuals have undergone three levels of training, culminating with intensive hands-on training at Contractor's key suppliers' facilities. They work directly with customers to help them select the best products for the job and run them the right way for maximum productivity and cost-effectiveness.

#### Lean Consulting/Six Sigma

Contractor's 70+ employees who have completed Black Belt training and 110+ internally-trained 'Blue Belts' are available to participate in Lean events and support Participating Entity's Lean initiatives. Services include DMAIC Process Mappings – working with Participating Entity's personnel to map the movement of product through Participating Entity's 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.