



ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE PURCHASING AGENT
2100 CLARENDON BOULEVARD, SUITE 500
ARLINGTON, VIRGINIA 22201

NOTICE OF RENEWAL

TO: The Toro Company
8111 Lyndale Avenue S.
Bloomington, MN 55420
ORIGINAL DATE ISSUED: May 8, 2019
CONTRACT NO: 19-250-R
CONTRACT TITLE: Grounds Maintenance Equipment, Parts, Accessories, Supplies, Related Services and Equipment

THIS IS A NOTICE OF RENEWAL AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

The contract documents consist of the terms and conditions of AGREEMENT No. 19-250-R including any attachments or amendments thereto.

EFFECTIVE DATE: April 2, 2022

EXPIRES: April 1, 2023

RENEWALS: TWO (2) 1 YEAR RENEWALS LEFT OF A POSSIBLE 5 YEAR CONTRACT.

EMPLOYEES NOT TO BENEFIT:

NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: Brian Pardoe VENDOR TEL. NO.: (612) 597-3224

EMAIL ADDRESS: brianpardoe@turf-equipment.com

COUNTY CONTACT: Helena Gilbert, DPR, Parks and Natural Resources COUNTY TEL. NO.: (703) 228-7981

COUNTY CONTACT EMAIL: hgilbe@arlingtonva.us

CONTRACT AUTHORIZATION

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA
PRINT: Dr. Sharon T. Lewis

SIGNATURE: Dr. Sharon T. Lewis
89B86B1AD301462...

TITLE: Purchasing Agent

DATE: 4/18/2022

THE TORO COMPANY

PRINT: Brian Pardoe

SIGNATURE: Brian Pardoe
47CEF5BC6D7744E...

TITLE: Brian Pardoe, TCPS

DATE: 4/18/2022

ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE PURCHASING AGENT
2100 CLARENDON BOULEVARD, SUITE 500
ARLINGTON, VIRGINIA 22201

NOTICE OF CONTRACT AWARD

The Toro Company
8111 Lyndale Avenue S.
Bloomington, MN 55420

DATE ISSUED:
CURRENT REFERENCE NO:

May 9, 2019

19-250-R

Grounds Maintenance
Equipment, Parts,
Accessories, Supplies,
Related Services and
Equipment

CONTRACT TITLE:

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

The contract documents consist of the terms and conditions of AGREEMENT No. 19-250-R including any attachments or amendments thereto.

EFFECTIVE DATE: May 9, 2019

EXPIRES: April 1, 2022

RENEWALS: TWO (2) RENEWALS

COMMODITY CODE(S): 51500

LIVING WAGE: N

PROFESSIONAL SERVICES: N

ATTACHMENTS:

AGREEMENT No. 19-250-R

EMPLOYEES NOT TO BENEFIT:

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For Fair Market Value (FMV) leases, terms from three to five years will be available. The monthly payments will not exceed 3.5% of the award price (at 600 hours per year of use). Alternative hours and payment terms (skip pays, annual pays, etc.) can be quoted by one of our financing partners. At the end of the lease (assuming all terms and conditions of the lease have been met), the equipment may be returned (subject to turn-in requirements identified in the lease documents), renewed for an additional time, on mutually agreeable terms between the parties, or purchased at the then, fair market value of the equipment.

Included in this proposal is a hard copy of Toro's current MSRP for each divisions products. Electronic copies will also be provided. Any product, attachments and accessory that is on these spreadsheet is available for the stated discounts.

This price model provides an aggressive discount to end users and is easy to calculate through a discount on MSRP. We have many products that we typically do not discount, we refer to these as proprietary products, but with this contract we discount all products with the same aggressive pricing to provide customers with the aggressive pricing but also make pricing and auditing more efficient for all parties.

We will provide the City of Mesa and National IPA with current copies of our MSRP pricing so customers can verify through a third party. For Commercial, we also have a pricing system called iQuote that we load pricing from Toro and is used by all distributors to calculate pricing. This ensures the correct pricing at each location. Here is an example of this quoting system.

The screenshot shows the iQuote web application interface. At the top, it says "iQ iQUOTE" and "Hello Peter Whitacre | Toro Sales & Marketing". Below this is a navigation bar with four steps: "1. Choose Category", "2. Select Model", "3. Configure Product", and "4.". The main content area is titled "Set Pricing and Quantity" and shows a customer selection dropdown set to "_SNC iQuote SFG(TaxSupported)".

Configuration options include:

- Traction Unit Quantity: 1
- Choose a Program: National IPA
- Trade In: No
- Apply Performance Parts Pricing: No

A red "CONFIGURE PRICE" button is visible. To the right is a large green "4 TIER" logo.

The product selected is "GM 4000-D (Tier 4 Final Compliant) (30609 / 30609A)". Below this is a table with the following data:

Qty	Description	Product ID	Ext MSRP	Ext DNET	Unit Award Price	Ext Award Price
1	GM 4000-D (Tier 4 Final Compliant) (30609 / 30609A)	30609	\$77,899.00	\$54,529.00		
SUBTOTALS			\$77,899.00	\$54,529.00		

Below the table, there is a "Toro Protection Plus" dropdown set to "None". At the bottom, a "TOTALS" row shows the final prices: \$77,899.00 MSRP and \$54,529.00 Award Price.

A warning message at the bottom states: "WARNING: To avoid violation of antitrust laws, Distributors must establish their own retail pricing".

- The City's expectation is that the proposed pricing shall include delivery to Mesa and Participating Public Agencies. Based on your distribution network, explain the impact of such pricing to the City, Participating Public Agencies residing in large metropolitan areas and Participating Public Agencies residing in rural areas. Propose an optimal solution(s) that would provide Participating Public Agencies with the best pricing including freight costs.

The Pricing to the City of Mesa includes set-up and delivery of wholegoods, attachments and accessories. It will be the determination of each of our distributors if they want to charge set-up and delivery fees for orders from other Participating Public Agencies. This pricing strategy allows us to provide a more aggressive price on wholegoods, attachments and accessories.

3. The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last three (3) years. Discuss any known future price list changes or industry changes that will effect pricing over the next Five (5) years.

Toro typically has changes to our MSRP lists once per year. As our fiscal year starts on November 1, we plan our annual changes for that date. Our goal is to keep our price increases to a minimum to remain competitive in this market. For 2017 we have implemented an average price increase of 1.3%.

On occasion, we have to veer from this plan as economic forces cause our costs to change more dramatically than anticipated. We do provide at least a 30-day notice to our distributors that these changes are occurring. Over the past 3 years we have been able to hold to our plan of once per year price change.

There are other factors that also impact our pricing. The federal government mandated changes to emissions, known as Tier 4, this has significantly impact pricing on our diesel, non-road, 25 – 74 horsepower products starting in 2013. These price increases have ranged from 10 – 20% depending on product but Toro’s products have all transitioned to the Tier 4 Final engines and are therefore reflected in the current pricing.

4. State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

Pricing is most favorable offered for contracts of this scope. We are continuously provided with feedback from field sales representatives concerning the price/value paradigm versus our competition. We evaluate this balance and make changes to pricing as needed to remain competitive. Toro also strongly believes in reducing cost through our processes and utilize Six Sigma Continuous Improvement Tools such as Kaizens, Lean Manufacturing, Process Mapping and D.M.A.I.C. (Define, Measure, Analyze, Implement, Control). Every year Toro establishes dollar values goals to Continuous Improvement and tracks and reports our progress against these goals. These procedures allow us to control costs which means controlling price increases to our customers.

In the end, our customers make the “Best Value” judgement and buy those products they consider “Best Value”. If we determine we are no longer “Best Value” at current pricing we will request changes to pricing.

5. Provide details of and propose additional discounts for volume orders, special manufacturer’s offers, minimum order quantity, free goods program, total annual spend, etc.

As an added incentive for volume purchases (single purchase order), Toro distributors may provide the following Smart Value Program. This program provides the customer with a level of dollars available to be used to purchase additional whole goods, accessories, attachments, parts or extended warrantee based on the volume of purchase according to the following scale.

<u>Purchases at Retail</u>	<u>Available Dollars</u>
\$150,000 - \$199,999	\$4,500
\$200,000 - \$249,999	\$6,000
\$250,000 - \$299,999	\$10,000
\$300,000 - \$349,999	\$12,000
\$350,000 - \$399,999	\$14,000
\$400,000 - \$449,999	\$16,000
\$450,000 - \$499,999	\$18,000
\$500,000 - \$549,999	\$20,000
\$550,000 - \$599,999	\$22,000
\$600,000 - \$649,999	\$24,000
\$650,000 - \$699,999	\$26,000
\$700,000 - \$749,999	\$28,000
\$750,000 - \$799,999	\$30,000
\$800,000 - \$849,999	\$32,000
\$850,000 - \$899,999	\$34,000

\$900,000 +

\$36,000

6. Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts off of a manufacturer's price list. If so, please provide the percentage discount.

Orders can be faxed, mailed or emailed. pCards and EFT can be accepted. All pricing is at users net.

7. Provide your payment terms. These payment terms shall apply to all purchases and to all payment methods.

Payment terms are 0% 30 days for cash/check payments and EFT payments only.

REVISED PRICING AND COMPENSATION

Pursuant to all the contract specifications enumerated and described in this Solicitation, Respondent agrees to furnish GROUNDS MAINTENANCE EQUIPMENT, PARTS, ACCESSORIES, SUPPLIES, RELATED SERVICES AND RELATED EQUIPMENT to the City of Mesa at the price(s) stated below.

SAMPLE EQUIPMENT PRICING

This Section of the Price Page lists Sample Equipment (Attachment C) that will likely be purchased under the contract. This list is not all-inclusive. Offerors shall use the discounts provided in their Price Proposal to determine the price for the items below.

ITEM #	EQUIPMENT DESCRIPTION	UNIT PRICE
1	Bunker Rake, as per specifications Toro Sand Pro 5040, model 08705 MANUFACTURER AND MODEL NUMBER	\$ 17,423.88
2	Heavy Duty Utility Vehicle, as per specifications Toro Workman HDX Auto, model 07390 MANUFACTURER AND MODEL NUMBER	\$ 22,481.84
3	Surrounds Mower, as per specifications Toro RM3100-D, model 03170 & 03189 reels MANUFACTURER AND MODEL NUMBER	\$ 29,530.85
4	Triplex Greens Mower, as per specifications Toro GR3150-Q, model 04358 and 04654 reels MANUFACTURER AND MODEL NUMBER	\$ 29,773.88
5	Wide Area Rotary Mower, as per specifications Toro GM4100-D Tier4, model 30608 MANUFACTURER AND MODEL NUMBER	\$ 62,262.63
6	Fairway Mower, as per specifications Toro RM5510-D Tier 4, model 03607 & 03641 reels MANUFACTURER AND MODEL NUMBER	\$ 58,619.52
EQUIPMENT TOTAL FOR ITEMS 1-6		\$ 220,092.30

SAMPLE PARTS PRICING

This Section of the Price Page lists Sample Parts for the equipment listed above (Items 1 thru 6) that will likely be purchased under the contract. This list is not all-inclusive. Offerors shall use the discounts provided in their Price Proposal to determine the price for the items below.

ITEM #	PARTS DESCRIPTION	UNIT PRICE
7	Air Filter for Bunker Rank (see item 1) Toro, part# 108-3008 MANUFACTURER AND PART NUMBER	\$ 15.98
8	Rake plate for Bunker Rank (see item 1) Toro, part# 84-2280-03 MANUFACTURER AND PART NUMBER	\$ 13.35
9	Hydraulic Filter for Utility Vehicle (see item 2) Toro, part# 54-0110 MANUFACTURER AND PART NUMBER	\$ 9.98

	Commercial Division Products (large mowers, aerators, sprayers, infield groomers, utility vehicles, cultivation and	21.80%
B	GOLF COURSE MAINTENANCE EQUIPMENT	
	Commercial Division Products (large mowers, aerators, sprayers, infield groomers, utility vehicles, cultivation and debris equipment	21.80%
C	RELATED EQUIPMENT PARTS	
	Commercial Division Performance Parts (City of Mesa only) Pricing is reflected in parts market basket prices.	up to 50% off list
D	USED EQUIPMENT	
	Our distributors typically have off lease and trade in equipment available for sale	Depends on age, hours and condition
E	BALANCE OF LINE	
	Golf Irrigation wholegoods, accessories and attachments	40% off
	Residential Commercial (ResCom) Irrigation wholegoods, attachments and accessories	40% off
	Irritrol Irrigation wholegoods, attachments and accessories	40% off
	Rainmaster Irrigation wholegoods, attachments and accessories	17 - 30 % off
	Sentinel Irrigation wholegoods	30% off
	Residential Landscape Contractor Equipment wholegoods, attachments and accessories	27% off
	Site Works Systems Equipment wholegoods, attachments and accessories	17% off
	BOSS equipment, attachments and accessories	25% off
	Allied products provided by third party	not to exceed list price

DELIVERY: See Mesa Standard Terms and Conditions.

Vendor Name _____
11/7/2016

Toro

Date: 12/9/2016
RFP # 2017025