June 25, 2012

City of Key West

3126 Flagler Avenue

Key West, FL 33040

RE: ITB#12-022 for Six-Inch Trash Pump Dewatering System

To Whom It May Concern:

HD Supply Waterworks, Ltd. is pleased to present the City of Key West our proposal for the above referenced bid. We have examined all of the specifications and requirements and we certify that we are bidding as specified.

We have made some modifications to the terms and conditions of this proposal.

Sincerely,

Susan Helms

Municipal Sales Coordinator

HD Supply is pleased to present the City of Key West with a proposal to furnish (1) one Six Inch Trash Pump Dewatering System. This unit will be available for delivery to the City of Key West eight to ten weeks after receipt of order.

HD Supply Waterworks, Ltd. has a vast supply of resources available to our customers. We offer a Customer Advantage Program, which allows Municipalities the ease of on-line ordering, invoicing via email, tracking orders and viewing our inventory on-line at our multiple locations along with part number interchange. We would be glad to go over this program in detail at your convenience.

We feel that our service is the best in the industry. HD Supply Waterworks, Ltd. truly stands for

"One Team Driving Customer Success and Value Creation"

Thank you for the opportunity to quote the City of Key West!

Invitation to Bid (ITB) # 12-022

Six Inch Trash Pump Dewatering System

CITY OF KEY WEST

May 17 , 2012

To: All Prospective Proposers

City of Key West RFP # 12-022 – Six Inch Trash Pump Dewatering System contains the following documents:

a. Cover letter one (1) page in length
b. Proposal nine (9) pages in length
c. City of Key West Indemnification Form one (1) page in length
d. Anti-Kickback Affidavit one (1) page in length
e. Local Vendor Certification one (1) page in length
f. Entity Crimes Statement three (3) pages in length
g. Call for Proposals one (1) page in length

Please review your proposal package to ensure it contains all of these documents. If not, contact Sue Snider, City of Key West Purchasing Agent at (305) 809-3815, immediately, to obtain copies of any missing document(s).

Proposers submitting proposals should ensure that the following documents are completed, certified, and returned as instructed: Unit Price Bid Schedule, Anti-Kickback Affidavit, Public Entity Crimes Certification, City of Key West Indemnification Form, and Local Vendor Certification, if applicable.

SUBJECT:	RFP# 12-022 Six Inch Trash Pump Dewatering System
ISSUE DATE:	May 27, 2012
PRE-PROPOSAL CONFERENCE:	None
MAIL PROPOSALS TO:	CITY CLERK CITY OF KEY WEST 3126 FLAGLER AVE. KEY WEST, FL 33040
DELIVER PROPOSALS TO:	SAME AS ABOVE
PROPOSALS MUST BE RECEIVED:	
NOT LATER THAN:	3:00 PM on June 27, 2012

SUE SNIDER
PURCHASING AGENT
CITY OF KEY WEST

ses

Enclosures

ITB # 12-022
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SECTION 1 INTRODUCTION AND PROCEDURES

1.1 Purpose

The CITY OF KEY WEST is seeking bids for a Six Inch Trash Pump Dewatering System.

1.2 Service Requirements

The CITY OF KEY WEST has defined a set of mandatory requirements that are included in this Invitation to Bid (ITB).

1.3 Bid Format

The CITY OF KEY WEST requires a uniform proposal format to ensure that all proposals are fairly evaluated. The proposal sections are listed below. Please reference all numbered sections in the ITB. You may provide additional information relevant to a section that is not specified in the ITB at the end of your response to such section.

Please submit your proposal in the following order:

- Cover Letter Submit a cover letter on your letterhead signed by an authorized representative of your organization, certifying accuracy of all information in your proposal and acknowledging your agreement to be bound by and in compliance with our terms and conditions.
- Executive Summary Submit an executive summary of your bid, covering the main features and benefits that distinguish it.
- Domestic Partner Benefits Certification - Submit a written letter detailing bidder's compliance with the City's Domestic Partner Benefits Ordinance described in this bid package.
- Indemnification Form – Please sign the City's indemnification form included in this bid package.
- Sample Contract Submit a sample copy of your standard contract or agreement for services.

- Pricing Schedule Include a price schedule for all equipment. The Pricing schedule to be included in a bidder's response shall be found on the Unit Bid Price Schedule in this bid document. Unless otherwise indicated, it is assumed that the cost of all development necessary to meet the stated requirements as included in the pricing. If specific services are not to be included in this pricing, such items and the associated costs must be indicated and clearly identified.

- Delivery Submit one original and one (1) hard copy, to:

Hand Delivery, Overnight Services	**U.S. Postal Service**
City Clerk's Office City of Key West 3126 Flagler Avenue Key West, Florida 33040 (305) 809-3836	City Clerk's Office City of Key West PO Box 1409 Key West, Florida 33041

Please Reference **"ITB # 12-022 – Six Inch Trash Pump Dewatering System"** on your sealed envelope

- Clarifications

  The CITY OF KEY WEST reserves the right to obtain clarification of any point in a Vendor's bid or to obtain additional information necessary to evaluate a bid properly. Failure of a Vendor to respond to such a request for additional information or clarification may result in rejection of the Vendor's bid. The CITY OF KEY WEST's retention of this right shall in no way reduce the responsibility of Vendors to submit compete, accurate, and clear bid.

- Right of Selection/Rejection of Bid

  The award will be made under one Contract by the CITY OF KEY WEST on the basis of the Bid from the lowest, responsive, responsible Bidder.

  Within 60 calendar days after the opening of Bids, the CITY OF KEY WEST will accept one of the Bids or will act in accordance with the following paragraphs. The acceptance of the Bid will be by written notice of award, mailed to the office designated in the bid, or delivered to the Bidder's representative. In the event of failure of the lowest responsive, responsible Bidder to sign the Contract, the CITY OF KEY WEST may award the Contract to the next lowest responsive, responsible bidder. Such award, if made, will be made within 75 days after the opening of the Bids.

  The CITY OF KEY WEST reserves the right to accept or reject any or all Bids, and to waive any informalities and irregularities in said Bids.

- Questions: Questions regarding the bid must be submitted in writing to Jay Gewin, Utilities Manager via e-mail at jgewin@keywestcity.com, fax at 305-809-3739, or mail at PO Box 1409, Key West, FL 33041. Questions must be received before June 18, 2012 at 4:00 PM local time and will be responded to via a bid addendum which will be made available to all prospective bidders.

- Due Date Proposals are due no later than **June 27, 2012 at 3:00 PM** local time at the City Clerk's Office, at the address listed above. Proposals received after the specified time and date cannot be considered.

SECTION 2 VENDOR INFORMATION / REQUIREMENTS

2.1 Background Information

Please provide the following information:

a. Parent company and contact information
b. Pump and Product Information

c. Customer references. Specify types of services provided, contact name, and phone number.
d. Hours of availability for customer support.

2.2 Training and Support

The selected vendor will provide onsite training . Such training costs should be built into the proposal price and will be performed with no additional fees to the City.

2.3 Demonstration

Prior to the awarding of a contract the vendor may be asked to provide a demonstration of the equipment they have proposed under this ITB.

2.4 Evaluation Process for Vendor Responsibility

Selection of Qualified Proposals

The Bidder's quote will constitute the basis for evaluating the Bidder's offer. The successful low bidder must also adhere to the requested proposal format to be considered responsible:

ITB Award Recommendation

The award will be made under one Contract by the CITY OF KEY WEST on the basis of the Bid from the lowest, responsive, responsible Bidder.

Within 90 calendar days after the opening of Bids, the CITY OF KEY WEST will accept one of the Bids or will act in accordance with the following paragraphs. The acceptance of the Bid will be by written notice of award, mailed to the office designated in the bid, or delivered to the Bidder's representative. In the event of failure of the lowest responsive, responsible Bidder to sign the Contract and provide an acceptable insurance certificate(s) and evidence of holding required licenses and certificates, the CITY OF KEY WEST may award the Contract to the next lowest responsive, responsible bidder. Such award, if made, will be made within 90 days after the opening of the Bids.

The CITY OF KEY WEST reserves the right to accept or reject any or all Bids, and to waive any informalities and irregularities in said Bids.

SECTION 3 TERMS, CONDITIONS AND PRICING

3.1 Indemnity, Liability and Insurance Requirements

The following **Indemnification Agreement** shall be made a provision of the contract: Contractor agrees to protect, defend, indemnify, save and hold harmless The City of Key West, all its Departments, Agencies, Boards and Commissions,

officers, agents, servants and employees, including volunteers, from and against any and all claims, debts, demands, expense and liability arising out of injury or death to any person or the damage, loss of destruction of any property which may occur or in any way grow out of any act or omission of the Contractor, its agents, servants, and employees, or any and all costs, expense and/or attorney fees incurred by the City as a result of any claim, demands, and/or causes of action except of those claims, demands, and/or causes of action ~~except of those claims, demands, and/or causes of action~~ arising out of the negligence of The City of Key West, all its Departments, Agencies, Boards and Commissions, officers, agents, servants and employees. The Contractor agrees to investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit at its sole expense and agrees to bear all other costs and expenses related thereto, ~~even if it (claims, etc.) is groundless, false or fraudulent~~. The City of Key West does not waive any of its sovereign immunity rights, including but not limite to, those expressed in Section 768.28, Florida Statutes.

These indemnifications shall survive the term of this agreement. In the event that any action or proceeding is brought against the City of Key West by reason of such claim or demand, contractor shall, upon written notice from the City of Key West, resist and defend such action or proceeding by counsel satisfactory to the City of Key West.

The Indemnification provided above shall obligate Contractor to defend at its own expense to and through appellate, supplemental or bankruptcy proceeding, ~~or to provide for such defense, at the City of Key west's option~~, any and all claims of liability and all suits and actions of every name and description covered above which may be brought against the City of Key West whether performed by Contractor, or persons employed or utilized by Contractor.

The contractor's obligation under this provision shall not be limited in any way by the greed upon Contract Price as shown in this agreement, ~~or the Contractor's limit of or lack of sufficient insurance protection.~~

~~In addition, it is understood if at any time any of the policies required by City shall become unsatisfactory to the City as to form or substance, or if a company issuing any such policy shall become unsatisfactory to the City, the Contractor shall obtain an new policy, submit the same to the City for approval and submit a certificate of insurance as which may be required by the contract. It is understood that upon failure of the Contractor to furnish, deliver and maintain such insurance as above provided, the contract at the election of the City may be declared suspended, discontinued or terminated. Further, failure of the Contractor to take out and/or maintain any required insurance shall not relieve the Contractor from any liability under the contract, nor shall the insurance requirements be construed to conflict with the obligations of the Contractor concerning indemnification.~~

3.2 Proposed Cost. The proposal must include the proposed cost, including any and all out-of pocket costs, broken down by activity. Indicate in detail the level and type of support to be provided, including any hours of operation for support.

. Cost proposals should include:

1. 11200D Drive unit equipped with the following:
   - John Deere Engine Model #CK4045, four (4) cylinder, 75 Horsepower
   - Portable Trailer Mounted Unit (Off Road Use)
   - D.O.T. Package – Fenders and Lights (usually required for highway use).
   - Electric Brake Package (w/charger and breqkaway switch. Brake system usually required for highway use).
   - Lockable Battery Box.
   - Lifting Frame
   - Military Hitch
   - One six (6) inch x twenty (20) foot rigid discharge hose
   - One six (6) inch x twenty (20) foot flexible discharge hose
   - On Site Training.
   - Two (2) year Warranty on Pumps and Parts

2. HTC006 Hydraulic Trash Pump equipped with the following:
   - ¾" x 50' Hydraulic Hose
   - 1"x 50' Hydraulic Hose
   - 1 ¼ x 50' Hydraulic Hose

3. Sound Attenuation Enclosure

4. Shipping to Key West

3.3 Taxes

The CITY OF KEY WEST is exempt from Florida state sales tax on materials purchased in the State of Florida under this contract. Prices quoted on the proposal shall include all nonexempt sales taxes, unless provision is made in the proposal form to separately itemize the tax.

3.4 Local Preference

In the purchase of or the contract for goods or services, the city may give a preference to a responsive and responsible local business enterprise. A business is considered local if it has maintained an office within 30 miles of the boundaries of the City of Key West for the past five years, during which period of time it has regularly and continuously conducted business from such location.

Under a competitive bid solicitation, when a responsive, responsible nonlocal business submits the lowest price bid, and the bid submitted by one or more responsive, responsible local businesses is within five percent of the price submitted by the nonlocal business, then the local business with the apparent lowest bid offer

(i.e., lowest local bidder) may have the opportunity to submit an offer to match the price(s) offered by the lowest, qualified and responsive nonlocal bidder within three working days of a notice of intent to award. If the lowest local bidder submits a bid that fully matches the lowest bid from the lowest nonlocal bidder tendered previously, then the award shall be made to such local bidder. If the lowest local bidder declines or is unable to match the lowest nonlocal bid price(s), then the award shall be made to the nonlocal business.

Please refer to section 2-798 of the City of Key West Code of Ordinances for more information on the City's local business enterprise preference ordinance.

3.5 Domestic Partner Benefits

Except where otherwise exempt or prohibited by law, a contractor awarded a contract pursuant to a bid process shall provide benefits to domestic partners of its employees on the same basis as it provides benefits to employees spouses.

Such certification shall be in writing and shall be signed by an authorized officer of the contractor and delivered, along with a description of the contractor's employee benefits plan, to the City's procurement director prior to entering a contract.

If the contractor fails to comply with this section, the City may terminate the contract ~~and all monies due or to become due under the contract may be retained by the City~~.

3.6 Miscellaneous Provisions

This Contract shall be governed by and interpreted in accordance with the laws of the State of Florida. Venue shall be in the Circuit Court in and for Monroe County, Florida. In the event of any breach or default under the terms of this Contract or if any legal proceeding is instituted in connection with this Contract, the prevailing party shall be entitled to recover from the other all reasonable attorney's fees and costs incurred whether for negotiation, settlement, trial or appellate services.

This Contract shall be binding upon the successors and assigns of each of the parties, but neither party shall assign this Contract without the prior written consent of the other party. Consent shall not be unreasonably withheld. ~~Vendor shall not enter into and contractual agreement with a third party for performance of any conditions under this Contract without the express written approval of the CITY OF KEY WEST. Contract for performance of the Contract may not be assigned, conveyed or otherwise disposed of without permission of the CITY OF KEY WEST.~~

All notices shall be in writing and transmitted to the party's address stated within. All notices shall be deemed effectively given when delivered, if delivered personally or by courier overnight mail service; three days after such notice has been deposited in the United States mail postage prepaid; if mailed certified or registered US Mail,

return receipt requested; or when received by the party of which notice is intended if given in any other manner.

This Contract may be modified only by written agreement signed by both parties. Wherever used, the terms "Vendor" and the "CITY OF KEY WEST" shall include the respective officers, agents, directors, elected or appointed officials and employees and, where appropriate, subcontractors.

If any term, provision, covenant or condition of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

It is understood that the relationship of Vendor to the CITY OF KEY WEST is that of independent contractor. The services provided under this Contract are of a professional nature and shall be performed in accordance with good and accepted industry practices.

ROYALTIES AND PATENTS

The Successful Vendor shall pay all royalty and license fees, unless otherwise specified. The Contractor shall defend all suits or claims for infringement of any patent rights and shall save the CITY OF KEY WEST harmless from any and all loss, including reasonable attorney's fees, on account thereof.

PRICING AND DELIVERY TIME

The Successful Vendor shall agree to hold pricing for 90 days from the date of the bid opening. The Successful Vendor also agrees that the equipment described in the Unit Price Bid Schedule shall be delivered within 120 days after receipt of Purchase Order from the CITY OF KEY WEST..

SECTION 4 UNIT PRICE BID SCHEDULE

Unit Price Bid Schedule, attached hereto and made a part hereof, shall be filled out by prospective bidder and submitted with their proposal.

UNIT PRICE BID SCHEDULE

1. 11200D Drive unit equipped with the following:

   - John Deere Engine Model #CK4045, four cylinder, 75 Horsepower
   - Portable Trailer Mounted Unit (Off Road Use)
   - D.O.T. Package – Fenders and Lights (Usually required for highway use).
   - Electric Brake Package (w/charger & breakaway switch. Brake system usually required for highway use).
   - Lockable Battery Box
   - Lifting Frame
   - Military Hitch
   - One six inch x 20 foot rigid discharge hose
   - One six inch x 50 foot flexible discharge hose
   - On Site Training
   - 2 Year Warranty on Pump and Parts

2. HTC006 Hydraulic trash pump equipped with the following:

   - ¾" x 50' Hydraulic Hose
   - 1" x 50' Hydraulic Hose
   - 1 ¼ " x 50' Hydraulic Hose $ 73690.00

3. Sound Attenuation Enclosure $ 9500.00

4. Shipping to Key West $ 2500.00

TOTAL * $ 85690.00

Other Options (please list each item

* If Caterpillar or Perkins Engines (equivalent to John Deere is acceptable deduct $2500.00 from the total price.

CITY OF KEY WEST INDEMNIFICATION FORM

Contractor agrees to protect, defend, indemnify, save and hold harmless The City of Key West, all its Departments, Agencies, Boards, Commissions, officers, agents, servants and employees, including volunteers, from and against any and all claims, debts, demands, expense and liability arising out of injury or death to any person or the damage, loss of destruction of any property which may occur or in any way grow out of any act or omission of the Contractor, its agents, servants, and employees, or any and all costs, expense and/or attorney fees incurred by the City as a result of any claim, demands, and/or causes of action except of those claims, demands, and/or causes of action arising out of the negligence of The City of Key West, all its Departments, Agencies, Boards, Commissions, officers, agents, servants and employees. The Contractor agrees to investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit at its sole expense and agrees to bear all other costs and expenses related thereto, ~~even if it (claims, etc.) is groundless, false or fraudulent.~~ The City of Key West does not waive any of its sovereign immunity rights, including but not limited to, those expressed in Section 768.28, Florida Statutes.

These indemnifications shall survive the term of this agreement. In the event that any action or proceeding is brought against the City of Key West by reason of such claim or demand, Contractor shall, upon written notice from the City of Key West, resist and defend such action or proceeding by counsel satisfactory to the City of Key West.

The indemnification provided above shall obligate Contractor to defend at its own expense to and through appellate, supplemental or bankruptcy proceeding, ~~or to provide for such defense, at the City of Key West's option,~~ any and all claims of liability and all suits and actions of every name and description covered above which may be brought against the City of Key West whether performed by Contractor, or persons employed or utilized by Contractor.

The Contractor's obligation under this provision shall not be limited in any way by the agreed upon Contract Price as shown in this agreement, ~~or the Contractor's limit of or lack of sufficient insurance protection~~.

CONTRACTOR: HD Supply Waterworks, Ltd. SEAL: ← N/A LTD. Partnership

18701 SW 108th Avenue Miami, FL 33157
Address

Signature

Susan Helms
Print Name

Municipal Sales Coordinator
Title

DATE: 6/25/12

ANTI-KICKBACK AFFIDAVIT

STATE OF FLORIDA

SS

COUNTY OF MONROE

I, the undersigned, hereby duly sworn, depose and say that no portion of the sum herein bid will be paid to any employee of the City of Key West as a commission, kickback, reward or gift, directly or indirectly by me or any member of my firm or by an officer of the corporation.

BY: Susan Helms

Susan Helms

sworn and prescribed before me this 25 day of June, 2012

NOTARY PUBLIC, State of Florida

My commission expires:

RONALD V. SUTTON
Commission # EE 073815
Expires March 14, 2015
Bonded Thru Troy Fain Insurance 800-385-7019

LOCAL VENDOR CERTIFICATION PURSUANT TO CKW ORDINANCE 09-22 SECTION 2-798

The undersigned, as a duly authorized representative of the vendor listed herein, certifies to the best of his/her knowledge and belief, that the vendor meets the definition of a "Local Business." For purposes of this section, "local business" shall mean a business which:

- *a. Principle address as registered with the FL Department of State located within 30 miles of the boundaries of the city, listed with the chief licensing official as having a business tax receipt with its principle address within 30 miles of the boundaries of the city for at least one year immediately prior to the issuance of the solicitation.*
- *b. Maintains a workforce of at least 50 percent of its employees from the city or within 30 miles of its boundaries.*

c. Having paid all current license taxes and any other fees due the city at least 24 hours prior to the publication of the call for bids or request for proposals.

- o Not a local vendor pursuant to Ordinance 09-22 Section 2-798
- o Qualifies as a local vendor pursuant to Ordinance 09-22 Section 2-798

If you qualify, please complete the following in support of the self certification & submit copies of your County and City business licenses. Failure to provide the information requested will result in denial of certification as a local business.

Business Name Phone:

Current Local Address: Fax:
(P.O Box numbers may not be used to establish status)

Length of time at this address

_____ _____
Signature of Authorized Representative Date

STATE OF_____
COUNTY OF_____

The foregoing instrument was acknowledged before me this _____day of _____, 20___.
By_____, of_____
(Name of officer or agent, title of officer or agent) Name of corporation acknowledging)
or has produced_____as identification
(type of identification)

_____
Signature of Notary

_____
Print, Type or Stamp Name of Notary

Return Completed form with
Supporting documents to:
City of Key West Purchasing

_____
Title or Rank

SWORN STATEMENT PURSUANT TO SECTION 287.133(3)(A)
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS,

1. This sworn statement is submitted to City of Key West
by Susan Helms, Municipal Sales Coordinator
(Print individual's name and title)
for HD Supply Waterworks, Ltd.
(print name of entity submitting sworn statement)

whose business address is 18701 SW 108th Avenue Miami, FL 33157
and (if applicable) its Federal Employer Identification Number (FEIN) is 030550887
(If the entity has no FEIN, include the Social security Number of the individual signing this sworn statement:_____

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

3. I understand that "conviction" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guild, in any federal or state trial court of record relating to charges brought by indictment of information after July 01, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:

   1. A predecessor or successor of a person convicted of a public entity crime; or

   2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. the term "affiliate' includes those officers, directors, executives,

partners, shareholders, employees, members and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment of income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement (indicate which statement applies).

✓ Neither the entity submitting this sworn statement, or any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 01, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 01, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (attach a copy of the final order).

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH ONE (1) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT

PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR THE CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

(SIGNATURE)

6-25-2012
(DATE)

STATE OF Florida

COUNTY OF Brevard

PERSONALLY APPEARED BEFORE ME, the undersigned authority Susan Helm who, after first being sworn by me,
(name of individual)
affixed his/her signature in the space provided above of this
25 day of June, 2012

NOTARY PUBLIC

My commission expires:_____

RONALD V. SUTTON
Commission # EE 073815
Expires March 14, 2015
Bonded Thru Troy Fain Insurance 800-385-7019

CALL FOR PROPOSALS

NOTICE is hereby given to prospective Proposers that sealed proposals will be received by the CITY OF KEY WEST by the office of the City Clerk, 3126 Flagler Ave, Key West, Florida 33040, until 3:00 PM for RFP# 12-022 "Six Inch Trash Pump Dewatering System"

Proposals will be opened in the office of the City Clerk then and there. Late Proposals will not be considered. SPECIFICATIONS AND DOCUMENTS may be obtained from DemandStar by Onvia at www.demandstar.com/supplier - or by calling 1.800.711.1712 or City of Key West website at www.keywestcity.com. One (1) original and one (1) copy of the proposal to be enclosed in two (2) sealed envelopes, one within the other, each clearly marked on the outside: RFP #12-022 – Six Inch Trash Pump Dewatering System, addressed and delivered to:

CITY CLERK
CITY OF KEY WEST 3126 FLAGLER AVENUE
KEY WEST, FLORIDA 33040

At the time of the award, the successful Proposer must show satisfactory documentation of such State, County and City licenses as would be required. Any permit and/or license requirement and subsequent costs are located within the documents. The successful Proposer must also be able to satisfy the City Attorney as to such insurance coverage, and legal requirements as may be demanded by the proposal in question.

The City may reject bids: (1) for budgetary reasons, (2) if the Proposer misstates or conceals a material fact in its proposal, (3) if the Proposer does not strictly conform to the law or is non-responsive to proposal requirements, (4) if the Proposal is conditional, or (5) if a change of circumstances occurs making the purpose of the Proposal unnecessary or (6) if such rejection is in the best interest of the City. The City may also waive any minor informalities or irregularities in any bid.

_____

- SUE SNIDER, PURCHASING AGENT

Published: 2012

HD SUPPLY WATERWORKS

Local Service, Nationwide
P.O. Box 1419
Thomasville, Ga 31799-1419

DUPLICATE

INVOICE

Branch Address:

HDSWW - OAKLAND PARK FL
Branch - 157
4310 NW 10th Ave
Oakland Park FL 33309 0000

954/772-7343

INVOICE#	4874225
INVOICE DATE	5/31/12
ACCOUNT #	021432
SALESPERSON	JEFF BROUILLETTE
BRANCH#	157
Total Amount Due	99.00

Remit To:

HD SUPPLY WATERWORKS, LTD.
PO BOX 100467
ATLANTA, GA
30384-0467

FLORIDA KEYS AQUEDUCT AUTH
1100 Kennedy Dr
Key West FL 33040 4021

Shipped to:
FKAA- MARATHON WAREHOUSE
615 33 RD ST., GULF
PO9103
MARATHION, FL

Return Top Portion With Payment For Faster Credit

Thank You For The Opportunity To Serve You.
We appreciate your prompt payment.

Date Ordered	Date Shipped	Customer PO No.	Job Name	Job No.	Bill of Lading	Shipped Via	Order Number
5/29/12	5/29/12	PO9103	MARATHON			DIRECT	4874225

Product Code	Description	Quantity Ordered	Quantity Shipped	Back-Ordered	Price	Per	Amount
	HD SUPPLY WATERWORKS PO#-5582913						
21T08S112T	8 MJ L/P SLEEVE USA CP DI C153	1	1		99.00000	EA	99.00
	DIV TYLERPIPEINDUST.RU98346001						
	HDS 5582913						

This transaction is governed by and subject to HD Supply Waterworks standard terms and conditions, which are incorporated herein by this reference and accepted.
To review these terms and conditions, please point your web browser to http://waterworks.hdsupply.com/TandC/.

Terms	Subtotal
NET 30	99.00

Freight	Delivery	Handling	Restock	Misc	Tax	INVOICE TOTAL
						99.00

HDSWW - OAKLAND PARK FL
Branch - 157
4310 NW 10th Ave
Oakland Park FL 33309 0000

INVOICE: 4874225

00000

Helms, Susan [HDS]

From: James-Mickens, Nichelle [HDS]
Sent: Tuesday, June 05, 2012 11:20 AM
To: Moye, Merrie [HDS]; Helms, Susan [HDS]
Subject: RE: Domestic Partner Benefits Ordinance
Attachments: benefitsguide_090110 draft 1.pdf

Hi Susan,
In the attached benefits guide on page 11 it describes who our eligible dependents are which does include same-sex domestic partners. Please let me know if you need additional information.

Note: I also copied it below for a quick reference.

Thanks,

eligible dependents

Generally, dependents are defined as:

1. Your legal spouse or your same-sex domestic partner who has shared your residence for at least six months and is not legally married or involved in another domestic partnership, is not related to you, and is jointly responsible for each other's welfare and financial obligations. This spouse or domestic partner is not eligible for medical, dental or vision insurance if such coverage is available through his or her employer.
Note: Associates working in the city of San Francisco or the city of Seattle have the option to cover their government-registered, opposite-sex domestic partner per the cities' local ordinances.
2. You or your legal spouse or your same-sex domestic partner's natural or adopted unmarried children, stepchildren or legal dependents under age 22 for dental, vision and life insurance, and under age 26 for medical insurance. Refer to the Summary Plan Description (SPD) for more details on eligibility.
3. Unmarried children for whom you are required to provide coverage under a Qualified Medical Child Support Order.
4. Children for whom you are a legal guardian.
5. A mentally or physically incapacitated child who is dependant on you for support and not capable of self-support, for dental, vision and life insurance and who was incapacitated prior to reaching age 22, or age 25 for medical insurance.

required dependent documentation

Associates will be required to provide documentation for proof of eligibility for any enrolled dependent. This is necessary to ensure that every dependent listed as covered under our health and welfare plans is eligible for coverage. Acceptable forms of documentation include:

spouse

• Marriage certificate (to validate the legal state of the marriage) AND

• One document establishing current financial interdependence of the couple (this could be a federal tax return or a joint account statement) AND
• Attestation that your spouse is not eligible for another employer's medical, dental or vision coverage.

domestic partner

• One document establishing current financial interdependence of the couple (such as a joint bill or account statement) AND
• One document establishing common residency (such as a driver's license) AND
• A legal document establishing the relationship (such as a domestic partner affidavit) AND
• Attestation that your domestic partner is not eligible for another employer's medical, dental or vision coverage.

children

• For your biological child a birth certificate is the only acceptable documentation.
• For an adopted or foster child, an adoption decree or court documentation establishing legal guardianship.
• For stepchildren, the associate's marriage certificate to the child's biological parent in addition to a birth or adoption certificate in order to establish the relationship.

disabled dependent

• Certificate of Disability OR Social Security Disability award documentation AND
• Birth certificate, adoption decree OR court documentation establishing legal guardianship AND
• Federal income tax return confirming child is claimed as a dependent.
• For stepchildren, the associate's marriage certificate to the child's biological parent to establish the relationship.

qualified status changes

Go to **hdsbenefitscenter.com** or call the HD Supply Benefits Center at **866.509.4437** within 30 days of the qualified status change.

medicaid/state children's health insurance program

You may add or drop eligible dependents (including your spouse) when they become eligible or lose eligibility under Medicaid or coverage under a state health insurance program. You must request enrollment or request to drop coverage within 60 days after the coverage ends or the date that you become eligible for the other coverage. The change under the medical plan will be prospective only from the date of your enrollment.

did you know ?

If you failed to verify a dependent during an HD Supply dependent verification process, that dependent is not eligible for HD Supply benefits plans until you provide sufficient documentation to your local HR partner.

HD SUPPLY

HD Supply Benefits Team
3100 Cumberland Blvd. Suite 1700
Atlanta, GA 30339

annual enrollment is
October 20 to November 2, 2010

Be Green
environment

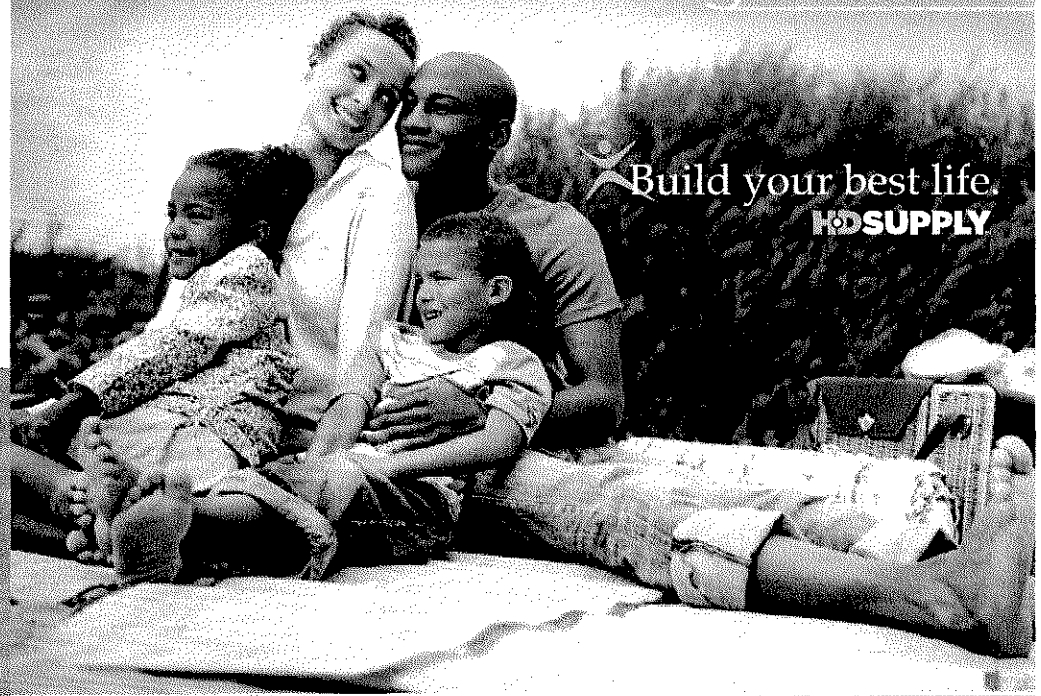
The HD Supply Annual Benefits Enrollment Guide is printed on an environmentally friendly, 10 percent post consumer waste recycled paper. By choosing this paper we have:

- Saved XX lbs. of wood or XX trees
- Saved XX gallons of water or enough to take XX eight-minute showers
- Saved enough energy to power an average home for X days
- Prevented XX lbs. of solid waste from being generated

10%
TOTAL RECOVERED FIBER
ALL POST-CONSUMER FIBER

learn more about how to
build your best life
at hdsbenefitscenter.com

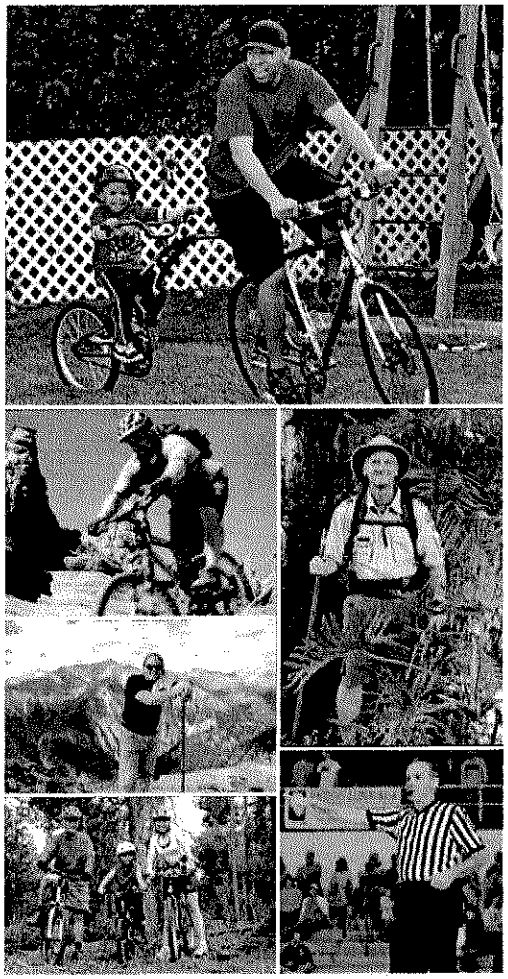
2011 benefits enrollment guide



Be Healthy
health & wellness benefits

full-time hourly or
salaried associates

what's inside



HD Supply associates, clockwise from top: Marcus Wingfield, San Diego, CA; Jim Nelson, Ft. Pierce, FL; Ron Stanart, Granite City, IL; Nicole O'Neill, Aurora, CO; Perry Vellenga, Aurora, CO; Christopher Carroll, Phoenix, AZ.

TABLE OF CONTENTS

Be Healthy

Build your best life.
HD SUPPLY

Dear Associate:

When HD Supply became an independent company three years ago, we set out to build a great business and build our best lives together. Our goal was to be a partner to you in your health and well-being and provide you the tools and resources to be a knowledgeable health care consumer.

During the past three years, we have focused on implementing wellness programs to help you Be Healthy. We launched the new hdsbenefitscenter.com, your one-stop-shop for building your best life. We began offering free preventive care so you and your family can be proactive about your health and catch illnesses before they become serious. During the past year, many lines of business have launched their own wellness programs, from 10,000 steps and "Biggest Winner" contests to 5K races and triathlons. I can truly see our culture of wellness beginning to take shape.

As our business and offerings to you continued to evolve, so too did the health care landscape. Nationally, health care costs continue to rise by 9 percent a year on average – doubling in the past decade and growing at least twice as fast as the rate of economic growth. The newest change in the landscape has been health care reform, which has significant implications for employers who offer health care benefits and the employees and families covered by those plans. Some changes will take effect very quickly, but many of the major provisions will not take effect for several years.

The health care reform will provide greater access to benefits, but they do come with a cost. In 2011, these implications will cost the company $1 million. The good news in this area is that we are already meeting many of the requirements of the legislation, such as covering preventive care at 100 percent and imposing no lifetime maximum. We do expect many more changes to be required for the future, but we are closely watching this situation to continue to see what this means for our company and will continue to keep you informed.

Our commitment to providing competitive benefits that support your health and wellness will not change —today and in the future. In the following pages of this guide, you'll read how we can work together to adapt to this changing landscape. We've made several changes to help hold down costs, increase discounts and provide better resources for healthy living; however, we will all experience increased costs this year in some way.

We may not be able to control the marketplace or national health care costs; however, we can control our own individual commitment to being healthy. Focusing on your health comes with many benefits — you'll have more energy and live happier, more productive lives. As a healthier population, we'll also have access to better premiums. I encourage you to get the most out of what our benefits plans have to offer.

In 2011, HD Supply will introduce a new wellness and health management vendor to help you manage chronic health conditions and coach you toward healthier living. We are offering a Be Healthy wellness credit to non-tobacco users, reducing your premiums by more than $500 a year. Throughout the year, we will continue to provide you with the tools and resources to help you get healthy and stay healthy.

Together we can commit to Be Healthy: exercise every day, eat a proper diet, visit your physician each year and do not use tobacco. I look forward to working with you to continue to build our culture of wellness and support each other on this journey. So commit with me and the rest of the senior leadership team to Be Healthy in 2011!

All the best.

Meg

Meg Newman

Senior Vice President, Human Resources,
Marketing and Communications
HD Supply

health care by the numbers

With so much news regarding health care numbers, here are the numbers that matter to HD Supply and you. The national health care trend and reform adding to the already rising annual costs; we must do all that we can to prevent these costs from eroding our overall value creation.

Each year, the company evaluates the benefits plans to make sure you have access to the doctors, hospitals and retail locations you need at an affordable price. This year, we combined new vendors, wellness incentives and eligibility changes to help hold down costs for you and your family as well as the company.

new partners

Replacing Aetna will be UnitedHealthcare or Anthem Blue Cross and Blue Shield. These carriers will ensure that you have the best benefits with your state as well as access to a national network with deep discounts in pricing.

These two companies provided us with the best "in network" coverage to our associates — 97% of you will not need to change your regular physician.

EyeMed Vision is a national carrier with greater access to retail locations such as LensCrafters, Pearl Vision and Target Optical.

wellness incentive

If you and your family commit to being tobacco free in 2011, and you are enrolling in the HD Supply medical plan, you can take advantage of the Be Healthy wellness credit worth $520 toward your medical insurance premiums. If you currently use tobacco, sign up for a cessation program today. If you quit prior to Jan. 1, 2011, you are eligible for the credit — there's still time to quit!

eligibility changes

If your spouse or domestic partner has coverage through an employer, he or she will not be eligible for medical, dental or vision coverage at HD Supply. However, you will now be able to cover your dependents on your medical plan until age 26.

In addition to health care inflation and reform, the third component that drives our costs up is our health. We should all continue to focus on our health and wellness. While many of you have made great strides to Be Healthy and Build Your Best Life: many of us continue to make unhealthy choices.

When you enroll in your benefits this year, take the time to also explore many of our wellness offerings at hdsbenefitscenter.com. In addition, next year we will introduce Carewise Health, a new provider for wellness and lifestyle management, to partner with you to Build Your Best Life.

2nd largest

Benefits is the second largest cost at HD Supply behind payroll. Our total benefits cost is $100 million each year, and HD Supply pays $65 million of that cost.

33% higher

HD Supply's health care costs are growing by 12% annually — that's 33 percent higher than the national average. This is the most expensive year since we've become an independent company.

97%

In 2011, we will have two new medical carriers with deep network discounts, saving us an anticipated $3 million. Their networks include 97% of the providers associates regularly use.

100% free

Preventive screenings are 100% covered. Many chronic illnesses are preventable.

$520 credit

A $520 Be Healthy wellness credit will be available to non-tobacco users that are enrolled in HD Supply medical plans.

80% prevention

By living a healthy lifestyle, at least 80% of heart disease, stroke and type-two diabetes can be prevented; and 40% of cancer can be prevented.

health care reform

We anticipate that the recent health care reform will add $1 million to our 2011 operating costs.

what's changing?

	WHAT	WHY
medical plans (Aetna participants nationwide and associates in Puerto Rico)	• UnitedHealthcare (UHC) and Anthem Blue Cross and Blue Shield (Anthem BCBS) are our new medical plan providers for associates who are currently enrolled with Aetna. Your provider will be based on your state of residence. See the map on page 6 for details. All Aetna plans will change to the corresponding UHC or Anthem BCBS plan.	• We have selected the best vendors by state to provide deep discounts and a robust national network to meet your medical needs.
	• The Enhanced Plan will not be offered in 2011.	• Based upon the current medical trend and the requirements associated with health care reform, associates' costs to maintain this plan would have been too great. The new Standard Plan offered by UHC and Anthem BCBS provides quality benefits for a great value.
	• An emergency room copay will be implemented in addition to coinsurance. The emergency room copay will be waived if you are admitted to the hospital.	• This copay encourages appropriate use of the emergency room. Many people who visit the emergency room, should have visited an urgent care facility where the copays are more affordable.
	CALIFORNIA • The Value Plan will be eliminated for new participants. Current participants can remain in the plan.	• California associates have access to many plan options to meet your family's needs.
	HAWAII • The HMSA HMO will be eliminated in favor of more affordable plans that better balance costs.	• The PPO plan provides greater access through a broad physician network.
eligibility	• If your spouse/domestic partner is offered health care coverage through his or her employer or elsewhere, he or she is not eligible for coverage under your HD Supply plans.	• We remain committed to providing health coverage to our associates. These dependents are a significant portion of our health care costs, and your working spouse will still have access to his or her employer's plan.
	• As part of health care reform, you can now cover dependents until age 26 for medical and age 22 for dental and vision.	• A change required by health care reform. Dependents until age 22 can be covered on your dental and vision plan.

	WHAT	WHY
prescription drug plans	• The plan now includes coinsurance and out-of-pocket minimums and maximums.	• To promote the use of lower costs drugs, generics, and mail-order pharmacy. Generics have a lower, flat copay.
vision	• EyeMed, our new vision provider, will give you access to a broader network.	• This new vendor provides a much better network of retail providers: LensCrafters, Pearle Vision, Target Optical and Sears Optical.
flexible spending accounts (FSA)	• Payflex is our new FSA vendor.	• This vendor offers an online tool, continued use of debit card and excellent customer service.
	• Over-the-counter drugs can no longer be purchased using your FSA, as a result of health care reform.	• A change mandated by health care reform.
wellness	• If you and your family commit to being tobacco free in 2011, you can take advantage of a Be Healthy wellness credit worth hundreds of dollars toward your medical insurance premiums.	• This wellness incentive encourages tobacco users to join a cessation program and stop using tobacco and rewards associates who make healthy choices. The more associates who quit tobacco, the better our rates will be.
	• HD Supply is partnering with a new vendor, Carewise® Health, to provide wellness coaching, online tools and resources, and lifestyle management to help you and your family Be Healthy.	• This new vendor will help you manage your health and lifestyle so we can all get healthy and stay healthy.
voluntary benefits	• A new discount program is available.	• To offer you more nationally recognized wellness discounts.

DID YOU KNOW?

Our medical plans provide free preventive screenings, but so far this year, only 14 percent of associates and dependents had an adult annual physical and only 22 percent of associates and dependents had a cholesterol screening. Research shows that screenings can help prevent disease, and your cancer risk can be reduced through regular medical care; avoiding tobacco and excessive exposure to the sun; eating a diet rich in fruits and vegetables; and being physically active. Source: Centers for Disease Control (CDC)

what you need to KNOW

when to enroll

You can enroll for your 2011 benefits at hdsbenefitscenter.com beginning Oct. 20 through 11:59 p.m. ET on Nov. 2. You may also enroll via phone at 866.509.4437 starting at 9 a.m. on Oct. 20, through 7 p.m. ET on Nov. 2.

The choices you make are effective from Jan. 1 through Dec. 31, 2011. The enrollment period is your only chance to make changes for the upcoming year, unless you have a qualified status change, such as marriage, divorce or birth of child. It's important to review this guide carefully to select the best options for you and your family.

what happens if you do not actively enroll

We recommend that every associate who plans to have medical coverage in 2011 actively enroll this year, as many of our benefits options will change. If you do not actively enroll, you may be automatically enrolled in a similar plan; however, it may not be the same plan you had last year, and it may cost more.

Additionally, you must actively enroll to receive the $520 Be Healthy wellness credit for being tobacco free in 2011 and to elect an FSA.

how to use the personal enrollment worksheet

You should have received a Personal Enrollment Worksheet (PEW) mailed to your home. It shows your current 2010 coverage and your benefit choices for 2011. The costs on your enrollment worksheet take into account how much HD Supply pays for your benefits, so the amount you see is your cost per pay period.

If you have not received your PEW by Oct. 18, contact the HD Supply Benefits Center at 866.509.4437.

whom you can cover

For HD Supply's benefits plans, you may choose from the following coverage categories:

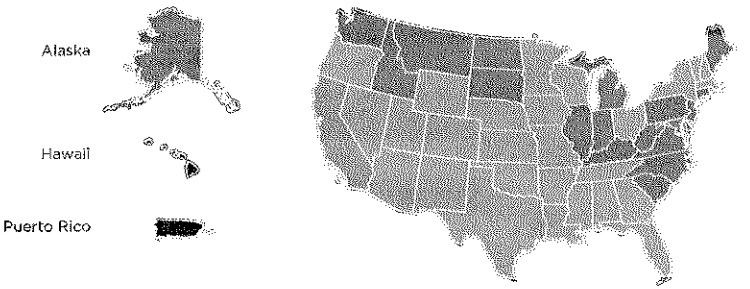
- Associate only
- Associate plus spouse*
- Same-sex domestic partner**
- Associate plus child(ren)
- Associate plus family
- No coverage

*Your spouse or domestic partner will not be eligible for medical, dental or vision coverage at HD Supply if he or she has coverage available through an employer. When you enroll for coverage and you enroll your spouse, you are attesting that your spouse or domestic partner does not have insurance through their employer.

**Only San Francisco and Seattle legislation allow for opposite-sex domestic partners to be covered.

This enrollment guide is also available in Spanish. Contact your HR partner for a copy. Esta guía de inscripción está disponible en español. Comuníquese con su socio de Recursos Humanos para obtener una copia.

PROVIDER COVERAGE AREAS



UnitedHealthcare

UHC will provide health care coverage for associates living in these states, indicated in green on the map:

Alabama	Kansas	Nevada	Rhode Island
Arizona	Louisiana	New Hampshire	Tennessee
Arkansas	Massachusetts	New Mexico	Texas
Colorado	Minnesota	New York	Utah
Florida	Mississippi	Ohio	Vermont
Georgia	Missouri	Oklahoma	Wisconsin
Iowa	Nebraska	Oregon	Wyoming

Anthem Blue Cross and Blue Shield

Anthem BCBS* will provide health care coverage for associates living in these states, indicated in blue on the map:

Alaska	Indiana	Montana	South Carolina
Connecticut	Kentucky	New Jersey	South Dakota
Delaware	Maine	North Carolina	Virginia
District of Columbia	Maryland	North Dakota	West Virginia
Idaho	Michigan	Pennsylvania	Washington
Illinois			

*Anthem Health insurance has partnered with Blue Cross and Blue Shield in several states to become Anthem Blue Cross and Blue Shield.

If you live in California, Hawaii, or Puerto Rico, when you see these icons, there is specific benefits information for you.

CA **California Associates:**

California associates may choose from:
- Health Net POS
- Health Net HMO
- Kaiser Permanente HMO

Only associates who had the Aetna Value PPO plan last year may choose the Anthem BCBS Value Plan this year.

HI **Hawaii Associates:**

Hawaii associates will receive insurance coverage from HMSA Hawaii PPO.

PR **Puerto Rico Associates:**

Puerto Rico associates will receive Anthem BCBS insurance.

what you need to DO

After reviewing your enrollment guide and worksheet, you can enroll online or by phone. Enrolling online is the fastest, easiest way to enroll any time of the day or night. Before you enroll, you may want to have the following information available: your Personal Enrollment Worksheet and Social Security numbers for any eligible dependents you plan to cover or add.

TO ENROLL ONLINE

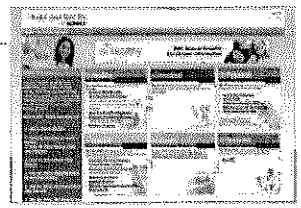
STEP 1

Go to hdsbenefitscenter.com. Log on using your User/NT ID and your password. (Your NT ID is your initials in lower-case and your six-digit associate number.)

If you have difficulty logging on, you may call your respective PC Helpdesk.

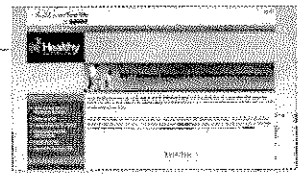
STEP 2

Click on the 2011 Benefits Enrollment banner at the top of the page.



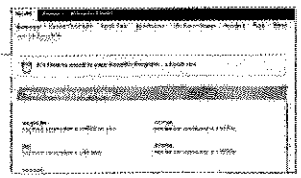
STEP 3

Click on Enroll Now.



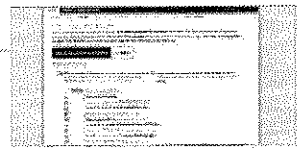
STEP 4

From here, you can make your selections for each benefit.



STEP 5

You will start by reviewing your personal data, and the system will advance you through the enrollment options. At any time, you can click Save to return to the checklist and complete your enrollment at a later time. Be sure to print out a confirmation page for your records.



TO ENROLL VIA TELEPHONE

Call the HD Supply Benefits Center at 866.509.4437 between the hours of 9 a.m. and 7 p.m. (ET). Select option #1. A representative will record your benefits selections.

CONFIRMATION OF ENROLLMENT

Whether you enroll online or by phone, you should receive a confirmation statement in the mail within two weeks after the close of Annual Enrollment. If you do not, you may call the Benefits Center at 866.509.4437 to request one.

You have until 7 p.m. ET by phone or 11:59 p.m. ET via the website on Nov. 2 to make any changes or corrections by repeating the enrollment process. If you find an error on your statement once Annual Enrollment has closed, call the Benefits Center immediately.

to be healthy and save money in 2011

☐ preventive care

- Make an appointment for an annual physical, which is covered at 100 percent. Everyone should see a doctor at least once a year. If you can stay well, you will feel better long-term and save money.

☐ prescription drugs

- Sign up to receive them via mail order. You will save at least $20/year on generic drugs, $100 on preferred brand drugs and at least $100 on specialty non-preferred brand drugs.
- Check with your doctor to see if your medicine has a *generic* equivalent. Many drugs are scheduled to have a generic equivalent approved and released in 2011.

☐ dental

- Save for your out-of-pocket expenses by enrolling in an FSA to reduce your costs.
- Check to see if you are subject to the new waiting period. See page 18.

☐ tobacco

- Go to the wellness section of hdsbenefitscenter.com for all the ways you can get help to quit.

☐ chronic conditions

- You should sign up for rewards with our lifestyle and wellness management vendor.
- Call your new vendor's Nurseline for health coaching.
- Get your annual physical and track your progress.
- Use your FSA to pay for out-of-pocket expenses on a pre-tax basis.

☐ wellness

- Know Your Numbers, Keep Moving and Stop Tobacco.
- Ask for help from your Nurseline, dietitian or Employee Assistance Program to get you started.

eligibility

The health and wellness benefits described in this guide are for full-time hourly and salaried associates of HD Supply.

eligible dependents

Generally, dependents are defined as:

1. Your legal spouse or your same-sex domestic partner who has shared your residence for at least six months and is not legally married or involved in another domestic partnership, is not related to you, and is jointly responsible for each other's welfare and financial obligations. This spouse or domestic partner is not eligible for medical, dental or vision insurance if such coverage is available through his or her employer.

   Note: Associates working in the city of San Francisco or the city of Seattle have the option to cover their government-registered, opposite-sex domestic partner per the cities' local ordinances.

2. You or your legal spouse or your same-sex domestic partner's natural or adopted unmarried children, stepchildren or legal dependents under age 22 for dental, vision and life insurance, and under age 26 for medical insurance. Refer to the Summary Plan Description (SPD) for more details on eligibility.

3. Unmarried children for whom you are required to provide coverage under a Qualified Medical Child Support Order.

4. Children for whom you are a legal guardian.

5. A mentally or physically incapacitated child who is dependant on you for support and not capable of self-support, for dental, vision and life insurance and who was incapacitated prior to reaching age 22, or age 25 for medical insurance.

required dependent documentation

Associates will be required to provide documentation for proof of eligibility for any enrolled dependent. This is necessary to ensure that every dependent listed as covered under our health and welfare plans is eligible for coverage. Acceptable forms of documentation include:

spouse

- Marriage certificate (to validate the legal state of the marriage) AND
- One document establishing current financial interdependence of the couple (this could be a federal tax return or a joint account statement) AND
- Attestation that your spouse is not eligible for another employer's medical, dental or vision coverage.

domestic partner

- One document establishing current financial interdependence of the couple (such as a joint bill or account statement) AND
- One document establishing common residency (such as a driver's license) AND
- A legal document establishing the relationship (such as a domestic partner affidavit) AND
- Attestation that your domestic partner is not eligible for another employer's medical, dental or vision coverage.

children

- For your biological child a birth certificate is the only acceptable documentation.
- For an adopted or foster child, an adoption decree or court documentation establishing legal guardianship.
- For stepchildren, the associate's marriage certificate to the child's biological parent in addition to a birth or adoption certificate in order to establish the relationship.

disabled dependent

- Certificate of Disability OR Social Security Disability award documentation AND
- Birth certificate, adoption decree OR court documentation establishing legal guardianship AND
- Federal income tax return confirming child is claimed as a dependent.
- For stepchildren, the associate's marriage certificate to the child's biological parent to establish the relationship.

who is NOT eligible

The following family members are not eligible for coverage:

1. Your common-law spouse.
2. Your spouse or domestic partner, if eligible for an employer's medical, dental or vision insurance.
3. Your ex-husband or ex-wife, if you are divorced.
4. Your same-sex domestic partner, if he or she does not satisfy the eligibility requirements on the previous page.
5. Your children age 22 or older for dental, vision and life insurance.
6. Your children age 26 or older for medical insurance.
7. Your grandchildren, nieces and nephews who are not your dependents.

qualified status changes

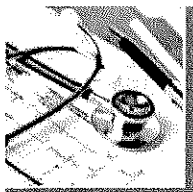
Go to hdsbenefitscenter.com or call the HD Supply Benefits Center at 866.509.4437 within 30 days of the qualified status change.

medicaid/state children's health insurance program

You may add or drop eligible dependents (including your spouse) when they become eligible or lose eligibility under Medicaid or coverage under a state health insurance program. You must request enrollment or request to drop coverage within 60 days after the coverage ends or the date that you become eligible for the other coverage. The change under the medical plan will be prospective only from the date of your enrollment.

DID YOU KNOW?

If you failed to verify a dependent during an HD Supply dependent verification process, that dependent is not eligible for HD Supply benefits plans until you provide sufficient documentation to your local HR partner.



medical PLAN OPTIONS

You may choose from two medical plan options from our insurance carriers in 2011:

- Standard Plan
- Value Plan

What you need to KNOW

NEW MEDICAL CARRIERS

This year, we have changed our medical carrier from Aetna to either UnitedHealthcare or Anthem BCBS depending on where you live. This change will allow you to take advantage of deep network discounts while still providing you quality national coverage.

Both UHC and Anthem BCBS are the same in value and quality of care. These plans will offer the best network and discounts by state and provide better pricing for you and the company. See the chart on the next page to learn how these plans pay benefits.

The Enhanced Plan will no longer be available in 2011. Enhanced Plan participants who do not make an election will be enrolled automatically in the Standard Plan.

WELLNESS CREDIT

In 2011, all non-tobacco households are eligible for a Be Healthy wellness credit worth $520/year toward medical insurance premiums. If you cover your spouse and/or children on your insurance plan, they also must be tobacco free to qualify for the credit. The credit will be reflected as a per-paycheck deduction to your annual medical premium.

If you are still using tobacco, HD Supply offers many great resources to help you quit. Go to hdsbenefitscenter.com for more information on our tobacco cessation programs. If you are tobacco free by Jan. 1, 2011, you are still eligible for the credit.

TRANSITION OF CARE

If your doctor is out-of-network under the new plan, and you are currently undergoing acute medical care, you can keep your out-of-network doctor for a period of time so that you can safely and effectively transition your care to an in-network physician. Examples of needing transition of care include, but are not limited to pregnancy, terminal illness, or previously scheduled surgery. To ensure that your care is not disrupted, please contact your new 2011 medical carrier directly for guidance.

What you need to DO

Check with your doctor to verify if he or she is covered in your new network.

If your doctor is not in network and you need to transition care to a new, in network doctor, call your medical carrier.

Use your Health Care FSA to save for any anticipated out-of-pocket medical expenses. See page 21 for details.

If you use tobacco, sign up for a tobacco cessation program now.

Be sure to actively enroll in medical coverage to take advantage of the $520 Be Healthy wellness credit.

DID YOU KNOW?

Tobacco users have 40 percent higher health care costs than non-tobacco users, and smokers' medical costs are $3,000 a year higher than nonsmokers. Tobacco users are also absent from work on average 18 days a year, 1.5 times more than non-tobacco users. Source: CDC

medical plan COMPARISON CHART

UNITEDHEALTHCARE/ANTHEM BLUE CROSS AND BLUE SHIELD

	STANDARD PLAN		VALUE PLAN	
	in network	out of network	in network	out of network
annual deductible	$800 individual $2,400 family	$2,400 individual $7,200 family	$1,800 individual $5,400 family	$5,400 individual $16,200 family
coinsurance	plan pays 80% after deductible	plan pays 60% after deductible	plan pays 70% after deductible	plan pays 50% after deductible
out-of-pocket maximum	$4,000 individual $12,000 family	$8,000 individual $24,000 family	$5,000 individual $15,000 family	$10,000 individual $30,000 family
preventive care*	FREE! No copay	plan pays 60% after deductible	FREE! no copay	plan pays 50% after deductible
primary care visit	$25 copay	plan pays 60% after deductible	$30 copay	plan pays 50% after deductible
specialist visit	$50 copay	plan pays 60% after deductible	$60 copay	plan pays 50% after deductible
chiropractic**	$50 copay	plan pays 60% after deductible	$60 copay	plan pays 50% after deductible
inpatient hospital	plan pays 80% after deductible	plan pays 60% after deductible	plan pays 70% after deductible	plan pays 50% after deductible
outpatient surgery	plan pays 80% after deductible	plan pays 60% after deductible	plan pays 70% after deductible	plan pays 50% after deductible
outpatient lab/X-ray	$10 copay	plan pays 60% after deductible	$10 copay	plan pays 50% after deductible
urgent care	$50 copay	plan pays 60% after deductible	$60 copay	plan pays 50% after deductible
emergency room***	$200 copay, plan pays 80% after deductible	$200 copay, plan pays 80% after deductible	$200 copay, plan pays 80% after deductible	$200 copay, plan pays 80% after deductible
maternity pre/post-natal care	$25 copay initial visit only	plan pays 60% after deductible	$30 copay initial visit only	plan pays 50% after deductible
maternity in-hospital delivery	plan pays 80% after deductible	plan pays 60% after deductible	plan pays 70% after deductible	plan pays 50% after deductible

*Includes annual exam, mammogram, and immunizations for children — limited to one exam every 12 months.
**Limited to 20 visits per year, combined in and out of network. ***Copays are waived if admitted.

CA Go to page 23.

HI Go to page 29.

PR Your medical benefit premiums are taken from your pay after tax instead of on a pre-tax withdrawal due to Puerto Rico tax laws.

prescription drug COVERAGE

All UHC and Anthem BCBS medical plan options provide prescription drug coverage through Medco*.

How much you pay for prescription drugs depends on several factors:

1. Which medical plan option you elect.
2. Whether you use a retail pharmacy or the mail-order pharmacy.
3. The type of drugs you are purchasing: generic, preferred brand name or non-preferred brand name.

What you need to KNOW

GENERIC, PREFERRED, NON-PREFERRED

If you purchase a generic drug at a retail pharmacy (e.g., CVS, Walgreens, WalMart), or through mail order, you will pay a copay for your prescription.

If you use a preferred brand or non-preferred brand, you pay a percentage of the prescription cost, called coinsurance, with minimum and maximum amounts as specified by the medical plan you choose.

Medco regularly updates its list of preferred medications based on the drug's quality, effectiveness, cost and recommendations from health experts.

RETAIL

- If you purchase a prescription at a retail pharmacy, you will be required to meet a pharmacy deductible as outlined in your medical plan.

MAIL ORDER

- Medco's mail-order pharmacy is the best way to order medications for long-term needs, such as birth control and medications for chronic conditions such as high blood pressure, high cholesterol and diabetes.
- The cost of a 90-day supply is the price you would pay for a 60-day supply, and you can have the medications delivered right to your door.

What you need to DO

Unless your doctor writes "dispense as written," ask for a generic equivalent.

Print the list of preferred medications for your needs from medco.com, and discuss the options with your doctor.

Use the mail-order program to save yourself time and money.

You should get a prescription for a 30-day and a 90-day supply from your doctor so you can begin taking your medication immediately.

Use your Health Care FSA to pay for your prescriptions. Because the money in this account is not taxed, you'll increase your take-home pay. See page 21 for details.

DID YOU KNOW?

You can help control your health care costs by requesting generic medications when they're available and appropriate. With a generic equivalent, you get the prescriptions you need — at the same level of quality, strength and purity — for less.

prescription drug plan COMPARISON CHART

MEDCO

	STANDARD PLAN		VALUE PLAN	
	in network	out of network	in network	out of network
out-of-pocket maximum	NONE	NONE	NONE	NONE
retail (30-day supply)	YOU PAY:	PLAN PAYS:	YOU PAY:	PLAN PAYS:
retail deductible	$75 individual $225 family	$75 individual $225 family	$100 individual $300 family	$100 individual $300 family
generic	$7 copay	plan pays 50% after deductible	$10 copay	plan pays 50% after deductible
preferred brand	$30 min., $60 max.*	plan pays 50% after deductible	$40 min., $80 max.*	plan pays 50% after deductible
non-preferred brand	$60 min., $120 max.*	plan pays 50% after deductible	$80 min., $160 max.*	plan pays 50% after deductible
mail order (90-day supply)	YOU PAY:	PLAN PAYS:	YOU PAY:	PLAN PAYS:
mail order deductible	NONE	N/A	NONE	N/A
generic	$15 copay	N/A	$20 copay	N/A
preferred brand	$60 min., $120 max.*	N/A	$80 min., $160 max.*	N/A
non-preferred brand	$120 min., $180 max.*	N/A	$160 min., $240 max.*	N/A

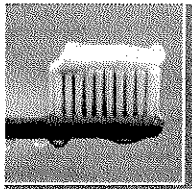
*You will pay a coinsurance amount based on the actual costs of your prescription drug.

buying generic and using mail order SAVES YOU MONEY

	OUT OF POCKET	REFILLS NEEDED FOR ONE-YEAR SUPPLY	TOTAL COST
using brand name and retail (30-day supply)	$60 (or more)	x 12	= $720
using generic and mail order (90-day supply)	$15	x 4	= $60
		TOTAL SAVINGS	$660

Note: This is intended as an example only. Actual savings may vary.

CA Go to page 27. HI Go to page 31. PR Coverage is the same as above.



dental PLAN OPTIONS

Delta Dental will again be the carrier for both dental plan options in 2011:

- **Enhanced Plan**
- **Standard Plan**

What you need to KNOW

You save money using in-network providers because they have agreed to discounted fees.

Out-of-network providers who haven't agreed to discounted fees may charge more than in-network providers. In addition, using out-of-network services can result in being billed separately for charges above what is considered reasonable and customary.

You can use your Health Care FSA for dental copay and coinsurance. See page 21 for details.

There is a six-month waiting period for new hires and new enrollees for both Enhanced and Standard Plans on major services and a 12-month waiting period on orthodontic services. This waiting period is waived if you were enrolled in dental coverage in 2010.

If you are currently undergoing orthodontic treatment, your previous maximum benefit will still apply.

Preventive care is available through both dental plans with no deductible.

ORTHODONTIC COVERAGE CHANGES:

- New maximum on Enhanced Plan: $2,000
- Coinsurance for major services: 50%
- Implant limit: $2,500 lifetime

What you need to DO

Check with your dentist to be sure he or she is in the Delta Dental network to maximize your benefit.

Make an appointment to see your dentist for a cleaning every six months.

DID YOU KNOW?

Gum disease (gingivitis) is one of the leading causes of adult tooth loss. If diagnosed early, it can be treated and reversed. Regular visits to the dentist for check ups and dental cleanings, flossing daily and brushing twice a day are key factors in preventing gum disease. Research shows you may also lower your risk for diabetes, cardiovascular disease and Alzheimer's disease. Source: AAP

dental plan COMPARISON CHART

DELTA DENTAL

	ENHANCED PLAN In network and out of network	STANDARD PLAN In network and out of network
annual deductible	$50 individual $150 family	$50 individual $150 family
annual maximum (combined for in and out of network)	$2,000 per covered person	$1,250 per covered person
preventive care (regular check-ups, cleanings, x-rays)	PLAN PAYS 100% not subject to deductible	PLAN PAYS 100% not subject to deductible
basic services (fillings, extractions, root canal therapy, periodontics)	PLAN PAYS 80% not subject to deductible	PLAN PAYS 80% not subject to deductible
major services (crowns, inlays, onlays, bridgework, dentures, implants)	PLAN PAYS 60% not subject to deductible	PLAN PAYS 50% not subject to deductible
orthodontic work adult and child (combined for in and out of network)	PLAN PAYS 50% not subject to deductible	PLAN PAYS 50% not subject to deductible
lifetime orthodontic maximum	$2,000	$1,000
waiting periods**	6 months on major services 12 months on orthodontic work	6 months on major services 12 months on orthodontic work

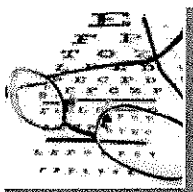
*Any current plan participant enrolled in the Enhanced Plan undergoing orthodontic treatments will be grandfathered under 60% coverage if you enroll in the Enhanced Dental Plan for 2011.

**Waiting periods only apply to new hires or to new enrollees.

CA Coverage the same as above.

HI Coverage the same as above.

PR Your dental benefit premiums are taken from your pay after tax instead of on a pre-tax basis due to Puerto Rico tax laws.



vision PLAN OPTIONS

HD Supply is pleased to offer a new vision carrier this year, EyeMed Vision Care®.

What you need to KNOW

EyeMed offers many more retail options for eye care such as Pearle Vision, LensCrafters, Target Optical, and Sears Optical.

You must use an EyeMed provider to receive benefits under this plan.

You can use either the eyeglasses or contact lenses benefit each calendar year.

Once the benefit has been used, you receive a 40 percent discount off a complete pair of eyeglasses and a 15 percent discount off conventional contact lenses.

Annual eye exams not only help correct vision problems, but also can reveal the warning signs of more serious health problems such as:

- Cardiovascular disease
- Cataract
- Diabetes
- Diabetic retinopathy
- Glaucoma
- Hypercholesterol
- Hypertension

What you need to DO

Even if your vision is great, make an appointment to see an eye care professional once a year to screen for serious health conditions.

Check to be sure your provider is in the EyeMed network.

Use your Health Care FSA for eye care expenses. See page 21 for details.

Visit eyemedvisioncare.com for detailed information about providers as well as a Provider Locator.

DID YOU KNOW?

One in five people is at risk for vision loss, and many of the conditions can be prevented.

vision plan COMPARISON CHART

EYEMED

		in network	out of network
	routine exam (once every 12 months)	$15 copay	$40 copay
CONTACT LENSES (once every 12 months) (materials only)	conventional or disposable	no copay, $150 allowance 15% off balance over $150	$150 allowance
	medically necessary	no copay, paid in full	$210 allowance
STANDARD PLASTIC LENSES (once every 12 months)	single	$15 copay	$40 copay
	bifocal	$15 copay	$60 copay
	trifocal or lenticular	$15 copay	$80 copay
FRAMES (once every 24 months)		no copay, $130 allowance 20% off balance over $130	$50 copay
	laser vision correction	15% off retail price or 5% off promotional piece	N/A

CA Coverage the same as above.

HI Coverage the same as above.

PR Your vision benefit premiums are taken from your pay after tax instead of on a pre-tax withdrawal due to Puerto Rico tax laws.

DID YOU KNOW?

You can pay for out-of-pocket vision expenses with your Health Care FSA. See page 21 for details.

flexible spending accounts

HD Supply offers two types of FSAs: Health Care and Dependent Day Care. These accounts provide a way to pay for certain types of expenses on a pre-tax basis. In 2011, FSAs will be administered by PayFlex, the new vendor.

What you need to KNOW

You can contribute $260-$5,000 per year in each account for your eligible expenses from Jan. 1 – Dec. 31, 2011. Go to payflex.com for a list of eligible health care and dependent day care expenses.

HEALTH CARE FSA

A Health Care FSA is a great way to save for out-of-pocket medical expenses because you contribute a small amount each pay period, rather than all at once.

The money you contribute from each paycheck is deducted before taxes — no federal, state or Social Security taxes will be withheld from any of those dollars — saving you up to 30 cents for each dollar.

You will get a new Health Care FSA debit card for 2011; however you should keep your current card until Dec. 31 for benefits in 2010.

Due to health care reform beginning in 2011, you may no longer pay for over-the-counter medicines using your Health Care FSA.

If you don't use the money you save, you forfeit it — don't let this stop you from taking advantage of this benefit. Just be conservative and estimate what you spent out of pocket last year. Don't forget — dental and vision expenses can be paid from your FSA account as well.

DEPENDENT DAY CARE FSA

You can contribute up to $5,000 into your Dependent Day Care FSA each year. If you are married, both you and your spouse must work, and your spouse must earn at least $5,000 each per year. If you are married and you and your spouse file separate tax returns, the maximum contribution is $2,500 per person. The minimum contribution is $260.

Dependents eligible for care can be your children up to age 13 or any other dependent (including a parent or in-law) who is not able to care for themselves because of a disability and who spends at least eight hours a day in your home.

What you need to DO

Check out the online tool at hdsbenefitscenter.com to estimate last year's medical expenses and what to contribute to your FSA this year.

Submit any outstanding 2010 expenses to the current carrier (Aetna) no later than March 31, 2011, to avoid forfeiting your remaining balance.

DID YOU KNOW?

You may use the FSA even if your family is not enrolled in an HD Supply benefits plan or if your spouse/children are covered by another benefits plan. Your spouse or dependent who is not enrolled in our medical plan can still use health care spending account dollars to pay for eligible medical expenses.

increase your TAKE-HOME PAY

	WITHOUT FSA	WITH FSA
annual salary	$35,000	$35,000
health care and dependent day care expenses you pay WITH an FSA	N/A	- $4,000
taxable salary	$35,000	$31,000
income tax owed (30%)	- $10,500	- $9,300
health care and dependent day care expenses you pay WITHOUT an FSA	- $4,000	N/A
take-home pay for the year	$20,500	$21,700
INCREASE IN TAKE-HOME PAY FOR THE YEAR	**$0**	**$1,200**

FSAs can save you money by reducing your taxable income — up to 30 percent on eligible health care and dependent day care expenses — which can increase your take-home pay.

FOR EXAMPLE:

If you expect to spend $4,000 in eligible health care and/or dependent day care expenses, you can increase your take-home pay by $1,200 in 2011.

CA Same options as above.

HI Same options as above.

PR FSAs are not available to associates in Puerto Rico.

life and ad&d insurance

To help you prepare for life's challenges and financing the future, HD Supply offers life and accidental death and dismemberment (AD&D) insurance.

What you need to KNOW

	BENEFITS PAID
basic life insurance	one times annual earnings up to $1 million company paid
basic AD&D*	one times annual earnings up to $1 million company paid
voluntary life insurance	one to 10 times annual earnings up to $1 million Evidence of Insurability (EOI) may be required
voluntary AD&D	one to 10 times annual earnings up to $1 million
voluntary spouse/domestic partner life insurance	increments of $10,000 up to $500,000 EOI may be required
voluntary child life insurance	increments of $5,000 up to $25,000

*AD&D provides a regular payment program in case of an accident resulting in permanent and total disability; speech, sight or hearing loss; or accidental death.

**For commissioned sales associates, an annual review of the prior 24 months' total earnings (base pay, commission, and draw) or $80,000, whichever is greater, is used for determining the benefit amount for life, short-term disability and long-term disability insurance.

What you need to DO

Update your beneficiaries.

Make sure your address is correct in T.E.A.M.

Consider your dependents' expenses and income needs if something happens to you, and decide if you need voluntary life insurance and/or AD&D coverage.

Complete an EOI if you purchase additional life or AD&D insurance for the first time, or for any increase in voluntary life or spouse/domestic partner life insurance during annual enrollment.

disability insurance

Short-Term Disability (STD) and Long-Term Disability (LTD) insurance help protect your financial well-being if you become disabled and can no longer work due to a non-work-related injury or illness.

What you need to KNOW

	WAITING PERIOD	BENEFITS
short-term disability	10 working days	company paid
long-term disability	90 days	50% of monthly pay, company paid
long-term disability buy-up option	90 days	associate paid, buy additional coverage of 10% of monthly benefit for a total benefit of 60%

Liberty Mutual is our short- and long-term disability insurance administrator. This coverage is available to hourly and salaried associates at no cost.*

Under a doctor's certification, STD is used for short-term, qualified medical conditions including illness, pregnancy and accidental injury.

LTD applies to long-term, qualified disabilities due to sickness or injury, as a result of which, you are unable to work for an extended period of time. HD Supply provides LTD that pays 50 percent of your annual earnings.** Additional coverage for another 10 percent can be purchased (up to $25,000 per month).

If you were eligible previously for LTD and did not elect at that time, but choose to now, you will be subject to the pre-existing limitation provision.

*If you work in the states of N.J., N.Y., R.I., Hawaii or Calif., or the Commonwealth of Puerto Rico, you are eligible for state/commonwealth disability coverage. Your disability benefit from HD Supply will be reduced by any amount paid to you by the state/commonwealth. Contact the HD Supply Benefits Center for more information.

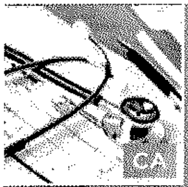
**If you were previously eligible for the buy-up coverage and didn't elect it, but choose to now, the additional 10 percent benefit is subject to a pre-existing condition exclusion. For more information about the pre-existing condition exclusion, please contact the HD Supply Benefits Center.

Note: Differences may exist across the company based on industry competitive practice. Please refer to your PEW for details about your costs and eligibility.

What you need to DO

Go to the LTD Estimator Tool at hdsbenefitscenter.com to determine if the additional 10 percent coverage will meet your financial needs.

Report to your manager and/or HR partner, as well as Liberty Mutual, any absences as soon as you know that you need more than three days away from work.



medical PLAN OPTIONS

As an associate living in California, you may choose from the following:

- Health Net HMO
- Health Net POS
- Kaiser Permanente HMO

Use the WebMD® Coverage Advisor on hdsbenefitscenter.com to compare your medical costs under each option.

What you need to KNOW

The HMO plans cost less in paycheck deductions and offer competitive coverage, but you must use only in-network providers.

If your home ZIP code is not served by the medical plans' networks, you will be offered an out-of-network medical plan.

Your prescription drug coverage is bundled with your medical plan option for the Kaiser HMO and the Health Net plans.

The Health Net Select POS plan is like having three plans in one — benefits depend upon where you receive services.

THE HMO NETWORK:

- You receive the highest level of benefits, but you must coordinate all care through your PCP.

THE PPO NETWORK:

- You can self-refer to any physician in the Health Net PPO provider network, but this plan has a higher copay.

THE OUT-OF-NETWORK:

- You can see any out-of-network licensed provider in the United States for covered services, but you will pay higher out-of-pocket costs. See the charts on page 25-26 for details.

WELLNESS CREDIT

In 2011, all non-tobacco households are eligible for a Be Healthy wellness credit worth $520/year toward medical insurance premiums. If you cover your spouse and/or children on your insurance plan, they also must be tobacco free to qualify for the credit. The credit will be reflected as a per-paycheck deduction to your annual medical premium.

If you are still using tobacco, HD Supply offers many great resources to help you quit. Go to hdsbenefitscenter.com for more information on our tobacco cessation programs. If you are tobacco free by Jan. 1, 2011, you are still eligible for the credit.

What you need to DO

Review the medical plan comparison chart on page 25 to understand the main differences between the medical plan choices.

Select a PCP if you elect the Kaiser HMO plan.

Each covered member of your family must select a PCP in the Health Net Select POS plan; however, each participant can use any level of benefits at any time.

frequently asked CALIFORNIA QUESTIONS

Q. Since the Kaiser Plan includes vision care, if I elect Kaiser coverage, do I also need to elect the EyeMed vision plan?	A. Kaiser offers annual eye exams and an allowance toward lenses and frames every 24 months. You should determine if you and/or your family will need the additional vision benefit for your eye care needs. See page 17 for more details.
Q. Will I receive a new ID Card?	A. No. You will only receive a new card if you change carriers.
Q. Do I have to complete a form every time I get a mail order prescription filled?	A. You only need to complete the mail-order form when you have to renew your prescription. For example, if your doctor provides four refills for a 90-day supply each, you would only need to complete the mail-order form to renew your prescription once a year.
Q. Do the preventive services differ by carrier?	A. Yes. Preventive coverage may differ by medical plan carriers. You can view details regarding preventive services by visiting your carrier's website or by calling the respective member services. See page 38 for contact information.
Q. For free preventive care such as mammograms, is there an age requirement or can younger, at-risk people also take advantage of these if recommended by their physician?	A. There are recommended age requirements for many preventive screenings. If you are at higher risk due to family history, you should contact your medical carrier to determine if you should get a preventive screening prior to the recommended age.

DID YOU KNOW?

You could save money by switching from the PPO to the HMO plan, without most of you having to change providers. The HMO plans will cost you less in paycheck contributions and offer you competitive coverage. With an HMO, you must use in-network providers, but your providers may already be in the HMO network. HealthNet tells us that most of you enrolled in the PPO generally use in-network HMO providers and never use the PPO network. This may be a way for you to reduce your premiums in 2011.

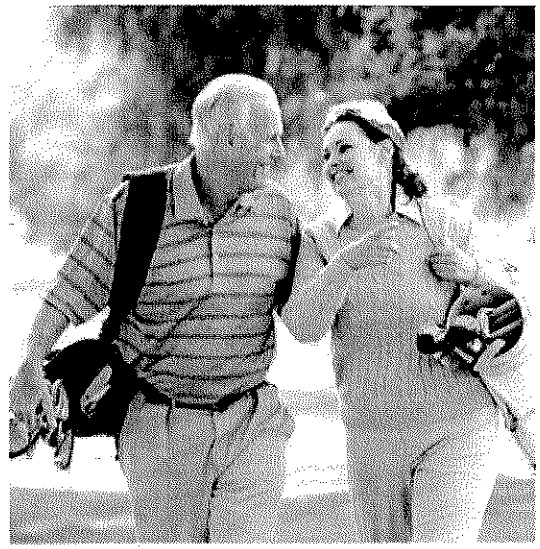
medical plan
COMPARISON CHARTS

HEALTH NET

	BASIC HMO	THREE-TIER POS PLAN		
		HMO	PPO	out of network
annual deductible	NONE	NONE	$1,800 individual $5,400 family	$5,400 individual $16,200 family
coinsurance coverage	100% unless otherwise noted	70%	70%	50%
out-of-pocket maximum	$2,500 individual $7,500 family	$2,500 individual $7,500 family	$5,000 individual $15,000 family	$10,000 individual $30,000 family
preventive care*	FREE! no copay	FREE! no copay	FREE! no copay	not covered
primary care visit	$25 copay	$30 copay	$40 copay	plan pays 50% after deductible
specialist visit	$50 copay	$60 copay	$80 copay	plan pays 50% after deductible
chiropractic	$15 copay limit of 30 visits a year	$20 copay limit of 30 visits a year	50% covered**	50% covered**
inpatient hospital	Plan pays 80% after $500 annual deductible	plan pays 70%	plan pays 70% after deductible hospital copay applies	plan pays 50% after deductible hospital copay applies
outpatient surgery	plan pays 80%	plan pays 70%	plan pays 70% after deductible	plan pays 50% after deductible
outpatient lab/x-ray	100% covered	100% covered	100% covered	plan pays 50% after deductible
urgent care	$50 copay	$60 copay	plan pays 70% after deductible	plan pays 50% after deductible
emergency room	plan pays 80%	plan pays 70%	plan pays 70% after deductible	plan pays 50% after deductible
maternity pre-/post-natal care	$25 copay	$30 copay	plan pays 70%	plan pays 50% after deductible
maternity in-hospital delivery	plan pays 80% after $500 annual inpatient hospital deductible	plan pays 70%	plan pays 70% after deductible, $500 hospital copay applies	plan pays 50% after deductible, $500 hospital copay applies
outpatient mental health/ substance abuse	$25 copay	$30 copay	$40 copay	plan pays 50% after deductible

KAISER PERMANENTE

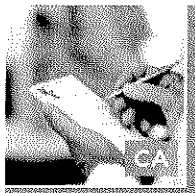
	HMO
	in network
annual deductible	NONE
coinsurance coverage	100% unless otherwise noted
out-of-pocket maximum	$2,500 individual $7,500 family
preventive care*	FREE! no copay
primary care visit	$25 copay
specialist visit	$50 copay
chiropractic	$15 copay limit of 30 visits a year
inpatient hospital	plan pays 80% after $500 annual deductible
outpatient surgery	80% covered
outpatient lab/x-ray	100% covered
urgent care	$25 copay
emergency room	plan pays 80%
maternity pre-/post-natal care	100% covered
maternity in-hospital delivery	plan pays 80% after $500 annual inpatient hospital deductible
outpatient mental health/ substance abuse	$25 copay



DID YOU KNOW?

Both Health Net and Kaiser offer member discounts on services such as weight management, tobacco cessation and health and fitness programs.

*Includes annual exam, well-woman exam and immunizations for children.
**Limited to $750 per year, combined in and out of network.



prescription drug COVERAGE

All HD Supply medical plan options provide prescription drug coverage for associates living in California.

How much you pay for prescription drugs depends on several factors:

1. Which medical plan option you select
2. Whether you use a retail pharmacy or the mail order pharmacy
3. The type of medications you are purchasing: generic, preferred brand name or non-preferred brand name

What you need to KNOW

Your prescription drug coverage is bundled with your medical plan option for the Kaiser HMO plan and the Health Net plans.

You can fill your short-term prescriptions (up to 30 days) through the retail pharmacy program.

You can receive long-term maintenance drugs (up to a 90-day supply) through the mail order program.

Using generic drugs — which have the same active ingredients and are identical in dose and form as a brand name — will always cost you less. If you decline a generic equivalent, you will pay more for your prescription.

What you need to DO

You should get a prescription for a 30-day and a 90-day supply from your doctor so you can begin taking your medication immediately.

Unless your doctor writes "dispense as written," ask for a generic equivalent.

Use the mail-order program to save yourself time and money.

USE YOUR FSA FOR COPAYS

Use your Health Care FSA to pay for prescription drug expenses not covered by your plan. See page 21 for details.

Contact your carrier if you are enrolling in an FSA for the first time, and you do not receive your debit card.

DID YOU KNOW?

With a Health Care FSA you can pay for most medical expenses not covered by your medical plan with pre-tax dollars. See page 21 for details.

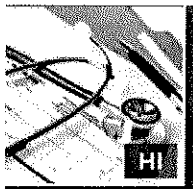
CA

prescription drug plan COMPARISON CHART

	HEALTH NET all options	KAISER in-network
annual deductible	$50 individual, applies to brand name drugs only, office visit copay may apply	$50 individual, applies to brand name drugs only, office visit copay may apply
out of pocket maximums	NONE	NONE
retail	30-day supply	30-day supply
generic	$10 copay	$10 copay
preferred brand	$30 copay after deductible is met	$30 copay after deductible is met
non-preferred brand	$60 copay after deductible is met	$30 copay after deductible is met
mail order	90-day supply	100-day supply
generic	$20 copay	$20 copay
preferred brand	$60 copay after deductible is met	$60 copay after deductible is met
non-preferred brand	$120 copay after deductible is met	$60 copay after deductible is met

PLEASE NOTE

Prescription drug preferred brand and non-preferred brand definitions will vary by medical plan carrier. Go to your carrier's website for more information.



medical PLAN OPTIONS

As an associate living in Hawaii, your medical plan for 2011 is HMSA Hawaii.

What you need to KNOW

A PPO plan has a network of providers. You pay less if you use in-network doctors and hospitals, but you always have the flexibility to use providers outside the network.

Your prescription drug coverage is bundled with your medical plan for the HMSA Hawaii PPO. With a Health Care FSA you can pay for most medical expenses that are not covered by your medical plan with pre-tax dollars. See page 21 for details.

WELLNESS CREDIT

In 2011, all non-tobacco households are eligible for a Be Healthy wellness credit worth $520/year toward medical insurance premiums. If you cover your spouse and/or children on your insurance plan, they also must be tobacco free to qualify for the credit. The credit will be reflected as a per-paycheck deduction to your annual medical premium.

If you are still using tobacco, HD Supply offers many great resources to help you quit. Go to hdsbenefitscenter.com for more information on our tobacco cessation programs. If you are tobacco free by Jan. 1, 2011, you are still eligible for the credit.

What you need to DO

Ask your current doctors if they belong to the plan's network.

Use in-network physicians to take advantage of the best coverage levels.

Be sure to use the WebMD Coverage Advisor on hdsbenefitscenter.com to evaluate your medical costs.

If you use tobacco, sign up for a tobacco cessation program now.

Be sure to actively enroll in medical coverage to take advantage of the $520 Be Healthy wellness credit.

DID YOU KNOW?

If you enroll in the HMSA medical plan, you are automatically eligible for the Reminder for Screening and Vaccination Program. This program helps you keep track of your screenings for cancers, heart disease, diabetes and your pneumococcal vaccinations. Be sure to call your physician to schedule an appointment soon.

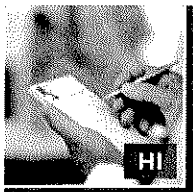
HI

medical plan BENEFIT CHART

HMSA HAWAII PPO

	in network	out of network
annual deductible	NONE	$100 individual $300 family
coinsurance coverage	varies by service (90% or 80% covered)	70%
out-of-pocket maximum	$2,500 individual $7,500 family	$2,500 individual $7,500 family
preventive care	annual exam not covered well-woman exam 100% covered	annual exam not covered, for well-woman exam plan pays 70% after deductible
primary care visit	$12 copay	plan pays 70% after deductible
specialist visit	$12 copay	plan pays 70% after deductible
chiropractic	not covered	not covered
inpatient hospital	90% covered	plan pays 70% after deductible
outpatient surgery	plan pays 80%	plan pays 70% after deductible
outpatient lab/X-ray	plan pays 80% after deductible	plan pays 70% after deductible
urgent care	$12 copay	plan pays 70% after deductible
emergency room*	$75 copay	$75 copay
maternity pre-/post-natal care	$12 copay other copays may apply	plan pays 70% after deductible
maternity in-hospital delivery	90% covered, other copays may apply	plan pays 70% after deductible

*Waived if admitted.



prescription drug COVERAGE

The HD Supply medical plan provides prescription drug coverage for associates living in Hawaii.

How much you pay for prescription drugs depends on two factors:

1. **Whether you use a retail pharmacy or the mail-order pharmacy.**
2. **The type of medications you are purchasing, e.g., generic, preferred brand name or non-preferred brand name.**

What you need to KNOW

Your prescription drug coverage is bundled with your medical plan coverage.

You can fill your short-term prescriptions (up to 30 days) through the retail pharmacy program. Have your doctor write you a separate prescription for this if you plan to use the mail-order program for maintenance prescriptions.

You can receive long-term maintenance drugs (up to a 90-day supply) through the mail-order program.

Using generic drugs — which have the same active ingredients and are identical in dose and form as a brand name — will always cost you less. If you decline a generic equivalent, you will pay more for your prescription.

HOW TO USE MAIL ORDER

- Have your doctor write a prescription for a 90-day supply plus refills as applicable.
- Complete the patient profile questionnaire available at hmsa.com — click on the **Members** tab, then click on the **Customer Service** tab at the top, followed by the **Forms** link.
- Mail the original prescription, the questionnaire and your payment to the address on the questionnaire.
- Your prescription will be mailed to you within 14 days of receipt. If refills are available, they may be ordered online or by phone.

What you need to DO

BUY GENERICS

Unless your doctor writes "dispense as written," ask for a generic equivalent.

Use the mail-order program to save yourself time and money.

You can find a participating retail pharmacy by calling 808.948.6111.

DID YOU KNOW?

The Food and Drug Administration requires generic drugs to be as strong and stable as their brand-name counterparts. Though they are not allowed to look exactly like the brand-name drugs, generic medicines have the same active ingredients.

prescription drug plan BENEFIT CHART

HMSA HAWAII PPO

	in-network	out-of-network
annual deductible	N/A	N/A
out-of-pocket maximum	NONE	NONE
retail (30-day supply)		
generic	$7 copay	$7 copay plus 20% of remaining eligible charge
preferred brand	$30 copay	$30 copay plus 20% of remaining eligible charge
non-preferred brand	$65 copay	$65 copay plus 20% of remaining eligible charge
mail order (90-day supply)		
generic	$11 copay	not covered
preferred brand	$65 copay	not covered
non-preferred brand	$170 copay	not covered

PLEASE NOTE

For more information, call HMSA Member Services at 808.948.6111, or you can also visit hmsa.com.

frequently asked questions

medical benefits

Q1. If I had medical benefits in 2010, did I have to actively re-enroll this year?

A. No. If you do not want to make any changes, you do not have to do anything; however, if you are enrolled in a plan that has been eliminated, you will be automatically defaulted to the most similar plan. If you have the Enhanced Plan in 2010, you will default to the Standard Plan in 2011.

You must actively enroll to take advantage of the Be Healthy wellness credit, otherwise you will pay $520 more in 2011 for your medical insurance premiums. Additionally, FSAs do not roll over from year to year. If you want an FSA (Health Care and/or Dependent Day Care) for 2011, you must re-elect the account and the amount you want to contribute.

Due to the significant number of changes for 2011, it is strongly recommended that you review the materials and actively enroll in the benefits for which you are eligible.

Q2. What if I do not want any medical coverage?

A. If you were enrolled in medical coverage in 2010, you must actively decline medical coverage during Annual Enrollment by logging into hdsbenefitscenter.com or calling the Benefits Center at 866.509.4437. If you wish to drop coverage during the year, you must have a qualified status change to do so.

Q3. Why was Aetna eliminated as a medical carrier?

A. New vendors were chosen because they offer quality care along with deep network discounts, while minimizing your need to change your doctor. The savings from these discounts will help keep medical costs in line over time and offer quality care for you and your family.

Q4. Is "Anthem" Blue Cross and Blue Shield different from Blue Cross and Blue Shield?

A. Anthem is a health care vendor that joined forces with Blue Cross and Blue Shield in numerous areas throughout the country to form Anthem Blue Cross and Blue Shield.

Q5. If my spouse has coverage through his or her employer, but is terminated from his or her job, can I add him or her to my coverage, even though it may occur in mid-year?

A. Yes. A change in your spouse's employment is considered a qualified status change. You must contact the HD Supply Benefits Center within 30 days of the your spouse's termination at 866.509.4437.

Q6. When will I receive my new insurance cards?

A. If you are enrolling in a UHC or Anthem BCBS plan, you will receive a new medical ID card in the mail by early January. If you need to see your doctor before your card arrives, you should use your current ID card until Dec. 31 or print a temporary ID card after Jan. 1. You can go to your insurance carrier's website to print a temporary ID card.

Q7. Is the out-of-pocket copay required for doctor's/specialists' office visits part of the annual deductible?

A. Copays do not count toward your annual deductible.

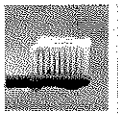
Q8. Is coverage offered to opposite-sex domestic partners?

A. No. Only your same-sex domestic partner without other coverage is eligible for benefits.

For associates in San Francisco and Seattle, local city ordinances require employers to offer benefits to opposite-sex domestic partners. As a result, HD Supply has extended benefits eligibility to government-registered opposite-sex domestic partners of associates who work in the cities of San Francisco and Seattle.

Q9. I am trying to access the HD Supply benefits center and don't know my password. What do I do?

A. Your login to the benefits website (hdsbenefitscenter.com) is your User ID – also referred to as your NT User Name, which consists of your initials and your six-digit associate number. Your password is the one you use to log in every day. If you need further assistance, you should contact your respective PC Help Desk.



dental benefits

Q10. Will I receive a new dental ID card?

A. You will only receive a new dental ID card if you are enrolling for the first time. If you participated in the dental plan in 2010, you will need to keep your current ID card. You can also print an ID card from the Delta Dental website, deltadental.com.

Q11. If my spouse has dental coverage available at his or her place of employment, can he or she still join my plan?

A. No. The dental option only is available if your spouse is not eligible for dental benefits from his or her employer.

life insurance

Q12. How much insurance can I apply for without having to answer medical questions? Can I add/increase once per year with no EOI?

A. If you currently do not have any voluntary life insurance or want to increase your amount, you will have to provide an EOI for any amount chosen. For spouse life insurance, the guarantee issue is $50,000. EOI is required on any increase of spouse voluntary insurance.

Q13. I am a commissioned associate. Will my insurance coverages and deduction amounts show correctly on my enrollment worksheets?

A. No. You will receive a special insert. Commissioned associates' average annual earnings will be finalized in January 2011. Impacted associates may adjust their life and AD&D insurance amounts to reflect any changes after they receive this final calculation. Associate-paid disability may not be adjusted at that time.

flexible spending accounts

Q14. Is the $5,000 max the combined total for both spending accounts?

A. No. You can contribute $5,000 in your Health Care FSA and another $5,000 in your Dependent Day Care FSA. See page 21 for more information.

Q15. How many debit cards are issued to me when I elect an FSA?

A. When you enroll in Health Care FSA you will receive two debit cards. You will not receive a debit card for your Dependent Day Care FSA.

frequently asked questions

flexible spending accounts (continued)

Q16. What is the turnaround time for reimbursement after submitting a request?

A. The standard turnaround time for health care reimbursement is 7-10 business days, and for dependent day care reimbursement is three business days.

Q17. I understand if I leave the company that I forfeit the money in my Health Care FSA account(s), including reimbursements I have made to the plan with my payroll deductions to date. Do I still have until March 31 of the following year to submit receipts for reimbursement for expenses incurred up to midnight on my last day worked (or termination date)?

A. If you leave the company mid-year with money left in your FSA account, you have two choices.

1. You may request reimbursement for services received prior to your termination date.

2. You may choose COBRA and continue to pay into the plan, post-tax, to use all the savings toward services received through Dec. 31.

For both choices you will have until March 31, 2012, to submit requests for reimbursement.

Q18. What happens if I do not verify all IRS-mandated claims?

A. If PayFlex requests a receipt to substantiate an expense that you paid using your debit card, and by the end of the year you have not provided the receipt (proof of purchase for a medical expense), PayFlex will send you an IRS Form 1099-MISC in February.

Q19. I have an FSA claim that needs to be substantiated, but I've lost the receipt. What can I do?

A. You should substantiate your expenses when requested, or you risk having your card deactivated suspended until the requested substantiation is completed. You can also substantiate the amount that was debited with another eligible expense in its place or get a duplicate receipt from most doctors' offices and pharmacies.

dependents

Q20. If I am taking care of dependents, but I am not yet their legal guardian, can I add them to my medical, dental and/or vision plan?

A. No. Only once you are named their legal guardian, may you enroll them as new dependents on your health care coverage. You will have 30 days from the date you obtain legal guardianship to make the change. You will be required to provide documentation to verify eligibility. See page 9 for more information.

Q21. Does HD Supply's medical plan cover dependents to age 26 as described by some state laws?

A. Under health care reform, the HD Supply plans will cover dependents to age 22 for dental, vision and life insurance and up to age 26 for medical insurance. Because the medical plan is a self-insured national plan, we are regulated by Employee Retirement Income Security Act (ERISA) law, not state laws.

benefits glossary

ANNUAL MAXIMUM
The maximum dollar amount that the plan will pay over the benefit year for all covered expenses.

BRAND NAME DRUG
A prescription drug that has been patented and is only available through one manufacturer.

CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA)
COBRA allows employees who leave the company to be covered on the company's health plan for 18 months at the full cost of the plan plus 2 percent. The act allows employees who are between jobs to not experience a lapse in coverage.

COINSURANCE
The percentage of covered expenses shared by you and the plan. In some cases, coinsurance is paid after you meet a deductible and/or make a copayment. For example, if the plan pays 80 percent of an in-network covered charge, your share is 20 percent.

COPAY
A set dollar amount you pay when you visit a provider. Copays do not apply to your out-of-pocket maximum.

CHRONIC ILLNESS
A long-term continuing or constantly recurring condition, such as diabetes, heart disease and cancers.

DEDUCTIBLE
The amount you pay before coinsurance goes into effect. The deductible does not apply to the out-of-pocket maximum.

EVIDENCE OF INSURABILITY (EOI)
A statement or proof of a person's physical condition, occupation, etc., affecting acceptance of the applicant for certain life, AD&D and/or disability insurance. EOI must be approved by the insurance carrier before coverage and payroll deductions can begin.

FLEXIBLE SPENDING ACCOUNT (FSA)
An account you contribute to through payroll deductions on a pre-tax basis to pay for eligible health care, dental, vision and/or dependent day care expenses.

GENERIC DRUG
A drug that is the pharmaceutical equivalent to one or more brand-name drugs approved by the Food and Drug Administration. They meet the same standards of safety, purity, strength and effectiveness as the brand-name drug.

HMO
A Health Maintenance Organization plan that offers comprehensive coverage only when you use in-network providers. An HMO typically requires that you name a primary care physician who coordinates your care.

INSURANCE CARRIER
Companies that administer our benefit plans.

OUT-OF-POCKET MAXIMUM
The maximum amount of money you pay for covered expenses in a plan year. After you meet your calendar year maximum, the medical plan pays 100 percent of covered charges for the rest of the plan year. Deductibles and copays do not apply to the out-of-pocket maximum.

OVER-THE-COUNTER (OTC) MEDICINES
Medicines that you can buy without a prescription, as compared to prescription drugs, that require a valid prescription.

POINT OF SERVICE (POS)
Point of Service provider, such as a dentist's office.

PREFERRED PROVIDER OPTION (PPO)
A plan where you can choose either in- or out-of-network providers and do not need a referral to see a specialist.

PROVIDER
Health care professionals and facilities such as doctors, dentists, hospitals and labs.

- **IN-NETWORK PROVIDER**
  A provider who has contracted with a health plan to provide services at a reduced rate or fee.
- **OUT-OF-NETWORK PROVIDER**
  A provider who has not contracted with a health plan. You will generally pay more when you use an out-of-network provider.

REASONABLE AND CUSTOMARY (R&C)
The fee that the insurance company considers appropriate for a health care expense based on the typical rate for a specific service within a provider's ZIP code.

legal notices

NOTICE ABOUT YOUR CREDITABLE PRESCRIPTION DRUG COVERAGE AND MEDICARE PART D

PLAN YEAR: JAN. 1 – DEC. 31, 2011

NOTE: It is important you keep this notice. If you are eligible or become eligible for Medicare, and you enroll in one of the plans approved by Medicare that offers prescription drug coverage, you may need to provide a copy of this notice when you join to show you are not required to pay a higher premium.

ABOUT THIS NOTICE

Please read this notice carefully. This notice has information about your current HD Supply prescription drug coverage and the prescription drug coverage available through Medicare. Important highlights of this notice are:

- Medicare prescription drug coverage is available to those who are eligible for Medicare.
- Your 2011 HD Supply prescription drug coverage offered through your HD Supply medical insurance plan is creditable coverage, based on our determination. This means your HD Supply medical insurance plan expects to pay as much as or more, on average, for all plan participants covered by the plan in 2011, than the standard Medicare prescription drug coverage for 2011.

YOUR PRESCRIPTION DRUG COVERAGE OPTIONS

If you are eligible for Medicare, you have the option of continuing your existing prescription drug coverage from the company or enrolling in the Medicare prescription drug coverage. If you choose to enroll in the Medicare prescription drug coverage, you must enroll between Nov. 15, 2010, and Dec. 31, 2010. However, because your existing prescription drug coverage is creditable coverage, you can choose to join a Medicare prescription drug plan later without having to pay a higher premium due to late enrollment. You have the opportunity to enroll in a Medicare prescription drug plan in each subsequent year from Nov. 15 through Dec. 31.

IMPORTANT: If you decide to enroll in a Medicare prescription drug plan and drop your existing prescription drug coverage through HD Supply, be aware that you may not be able to re-acquire your HD Supply coverage. Even though your current prescription drug coverage with HD Supply is creditable, if you drop it and have a break in creditable coverage of 63 days or more before enrolling in the Medicare prescription drug coverage, you could be subject to paying higher premiums.

LIMITED INCOME ASSISTANCE

For people with limited income and resources, extra help in paying for a Medicare prescription drug plan is available. Information about this additional help is available from the Social Security Administration (SSA). Go online at socialsecurity.gov, or call 800.772.1213 (TTY: 800.325.0778).

FOR MORE INFORMATION

Contact the Benefits Center at 866.509.4437 if you require further information about this notice. You may receive it at other times in the future, such as before the next enrollment period for Medicare prescription drug coverage, or if this coverage changes. You may also request a copy of it.

COBRA

If you, your spouse, or eligible dependent lose coverage under any of HD Supply's group medical or dental plans because of a COBRA qualifying event, you may have the right to continue coverage under COBRA.

If you, your spouse, and/or dependent have a COBRA-qualifying event, you must notify the Benefits Center at 866.509.4437 immediately.

If your coverage ends due to a COBRA qualifying event, HD Supply will send you a notice of your continuation rights within two weeks from the end of the month in which your coverage ended. You will have up to 60 days — from that time or the date you received your COBRA notice — to decide whether you want to continue any or all of your health coverage.

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) — CONTINUATION OF COVERAGE

HIPAA helps protect your rights to medical coverage during events such as changing or losing jobs, pregnancy and childbirth, or divorce.

Depending upon your group health plan limitations, HIPAA may also make it possible for you to get and keep medical coverage even if you have past or present preexisting medical conditions.

If you were covered under a medical plan, you will receive a Certificate of Creditable Coverage upon termination from your insurance carrier.

HIPAA—PRIVACY ACT LEGISLATION

The Company and your health insurance carrier(s) are obligated to protect your confidential protected health information that identifies you or could be used to identify you and relates to a physical or mental health condition or the payment of your health care expenses.

The Company and your health insurance carrier(s) are required to notify you and your beneficiaries about our policies and practices to protect the confidentiality of your protected health information.

WOMEN'S HEALTH AND CANCER RIGHTS ACT

The Women's Health and Cancer Rights Act of 1998 requires your health insurance plan to provide benefits for mastectomy-related services.

These services include reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymph edemas).

Coverage for these benefits or services will be provided in consultation with the participant's or beneficiary's attending physician.

If you are receiving, or in the future receive, benefits under a group medical contract in connection with a mastectomy, you are entitled to coverage for the benefits and services described above if you elect breast reconstruction.

Your qualified dependents are also entitled to coverage for those benefits or services on the same terms.

Coverage for the mastectomy-related services or benefits required under the Women's Health law are subject to the same deductibles and coinsurance or copayment provisions that apply to other medical or surgical benefits your group medical contract provides.

MATERNITY AND NEWBORN LENGTH OF STAY

Group health plans and health insurance issuers generally may not, under federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a normal vaginal delivery; or 96 hours following a cesarean section.

However, federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under federal law, require that a provider obtain authorization from the plan or the insurance issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA)

As a participant in the HD Supply benefits program, you are entitled to certain rights and protections under ERISA of 1974. If you would like more information about ERISA, or if you have any questions, you may contact the HD Supply Benefits Center or the nearest area office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory. You may also contact:
Division of Technical Assistance and Inquiries
Pension and Welfare Benefits Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210.

ABOUT THIS GUIDE

This enrollment guide offers highlights of the HD Supply benefits programs. While we've made every effort to make the information here as complete and accurate as possible, the benefit plans are fully detailed in separate legal documents and insurance contracts. Should there be any conflict between the information in this guide and the plan documents, the terms stated in the plan documents will be considered the most accurate description of the benefit plans. It does not give you the right to be employed by HD Supply, nor does it give you the right to claim any benefit not covered by the plans. HD Supply reserves the right to change or terminate plans at any time.

benefits contact list

HD Supply Benefits Center

866.509.4437 or hdsbenefitscenter.com

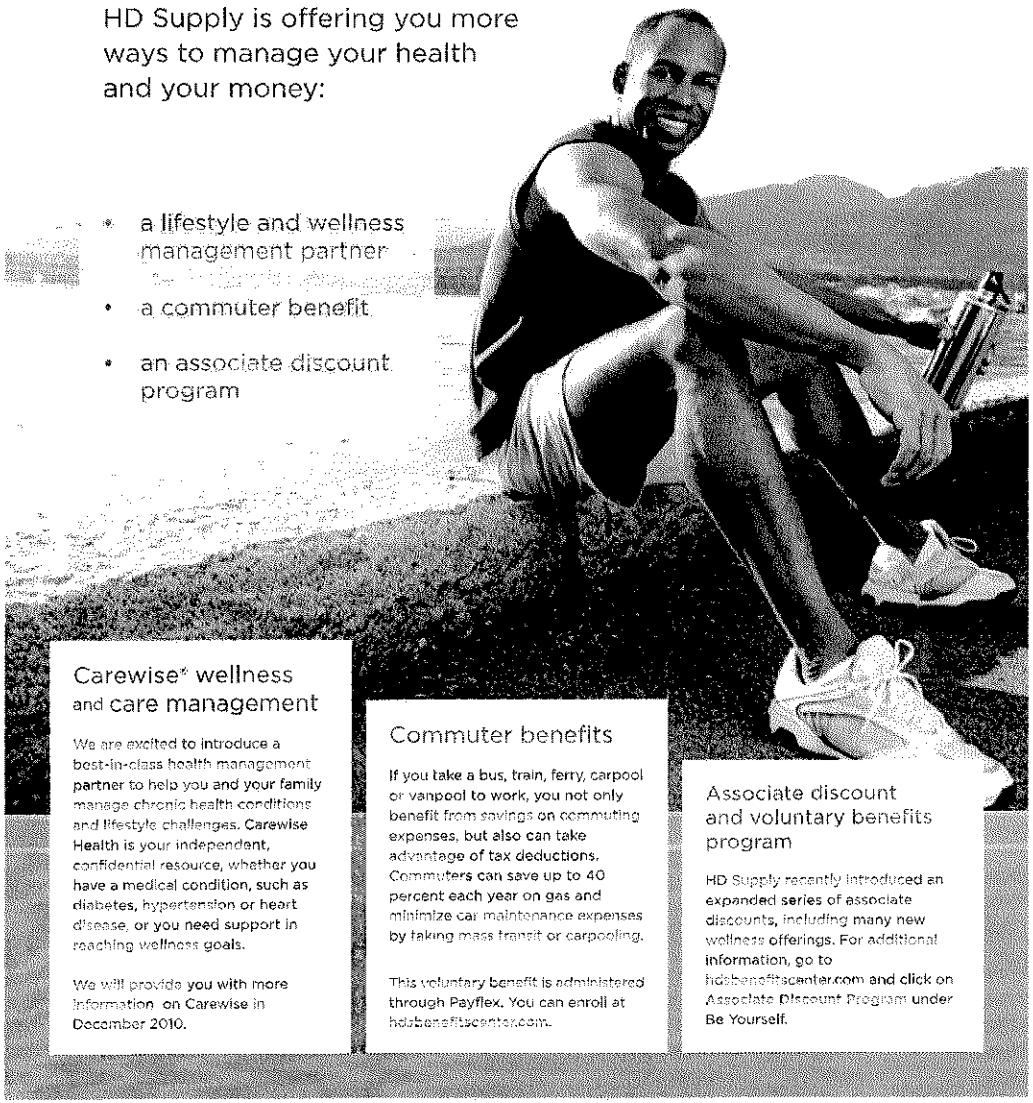
Use this helpful list if you want to contact of any of our benefits providers.

medical plans	UnitedHealthcare	877.890.6021	myuhc.com
	Anthem BCBS	877.403.0611	anthem.com
	Health Net	800.822.0085	healthnet.com
	Kaiser Permanente	800.464.4000	kp.org
	Hawaii HMSA	808.948.6111	hmsa.com
prescription drug plans	Medco	866.220.2392	medco.com
dental plans	Delta Dental	800.521.2651	deltadentalins.com
vision plans	EyeMed Vision Care	877.657.8157	eyemedvisioncare.com
flexible spending accounts	Payflex	800.284.4885	hdsbenefitscenter.com
employee assistance program	Magellan (EAP)	800.424.6114	www.magellanassist.com
disability plans	Liberty Mutual	866.317.9583	hdsbenefitscenter.com Under the blue Be Healthy box, click on Benefits Information. On the next page, click on Life & Disability.
life/AD&D insurance	Minnesota Life	866.293.6047	hdsbenefitscenter.com Under the blue Be Healthy box, click on Benefits Information. On the next page, click on Life & Disability.
401(k) plan	Mercer	800.686.6474	hdsbenefitscenter.com Under the red Be Prepared box, click on one of the 401k links for more information.

Build your best life.

HD Supply is offering you more ways to manage your health and your money:

- a lifestyle and wellness management partner
- a commuter benefit
- an associate discount program



Carewise® wellness and care management

We are excited to introduce a best-in-class health management partner to help you and your family manage chronic health conditions and lifestyle challenges. Carewise Health is your independent, confidential resource, whether you have a medical condition, such as diabetes, hypertension or heart disease, or you need support in reaching wellness goals.

We will provide you with more information on Carewise in December 2010.

Commuter benefits

If you take a bus, train, ferry, carpool or vanpool to work, you not only benefit from savings on commuting expenses, but also can take advantage of tax deductions. Commuters can save up to 40 percent each year on gas and minimize car maintenance expenses by taking mass transit or carpooling.

This voluntary benefit is administered through Payflex. You can enroll at hdsbenefitscenter.com.

Associate discount and voluntary benefits program

HD Supply recently introduced an expanded series of associate discounts, including many new wellness offerings. For additional information, go to hdsbenefitscenter.com and click on Associate Discount Program under Be Yourself.