

**A-19-21****Staff Summary A-19-2021**

Subject: Horticulture Products (S/B #: 8720-05210-066)
Department: Department of Shared Services / Office of Purchasing
Department Head Name Melissa Gallucci
Department Head Signature <i>Melissa Gallucci</i>

Date March 5, 2021
Vendor Name SiteOne Landscape Supply, LLC dba All Pro Horticulture
Contract Number A-19-2021
Contract Manager Name Kimberly Stanton

Proposed Legislative Action					
	To	Date	Approval	Info	Other
	Assign Comm				
	Rules Comm				
	Full Leg				

Internal Approvals			
Date & Init.	Approval	Date & Init.	Approval
	Dept. Head		
<i>CM 4/14/21</i>	Budget	<i>3/24/21</i>	County Atty.
	Deputy C.E.	<i>4/1/21</i>	County Exec.

**Narrative**

**Purpose:** To authorize and award a Blanket Purchase Order for Horticulture Products for the Nassau County Department of Parks, Recreation & Museums to SiteOne Landscape Supply, LLC dba All Pro Horticulture.

**Discussion:** This solicitation was advertised in Newsday and posted on the Nassau County Bid Solicitation Board.

There were Fifteen (15) vendors who viewed the bid:

1 Woman Owned	0 Minority	2 Small Business
0 Service-Disables Veteran Owned	0 Veteran Owned	

Four (4) bids were received:

0 Woman Owned	0 Minority	0 Small Business
0 Service-Disables Veteran Owned	0 Veteran Owned	

The Department of Shared Services, Office of Purchasing is recommending a split award. It is recommended that SiteOne Landscape Supply, LLC dba All Pro Horticulture be awarded a contract for Twenty-Nine (29) items for which they were found to be the lowest responsible bidder, as explained in the attached award recommendation memo. The remaining items are being awarded to the respective lowest responsible bidders.

**Impact on Funding:** The maximum amount authorized under this Blanket Purchase Order, including any renewal options that may be exercised by the Commissioner of Shared Services, shall be Six Hundred and Twenty-Five Thousand Dollars (\$625,000.00).

**Recommendation:** Department of Shared Services/Office of Purchasing recommends an award be given to SiteOne Landscape Supply, LLC dba All Pro Horticulture as the lowest responsible bidder meeting specifications for twenty-nine (29) items.

APPROVED:

*A. J. [Signature]* 3/24/21

INSURANCE SECTION

REAL ESTATE, RENTALS AND  
PROPERTY MANAGEMENT

A RESOLUTION AUTHORIZING THE COMMISSIONER OF SHARED SERVICES TO AWARD AND EXECUTE A BLANKET PURCHASE ORDER BETWEEN THE COUNTY OF NASSAU, ACTING ON BEHALF OF THE NASSAU COUNTY DEPARTMENT OF PARKS, RECREATION & MUSEUMS, AND SITEONE LANDSCAPE SUPPLY, LLC DBA ALL PRO HORTICULTURE

WHEREAS, the NASSAU COUNTY DEPARTMENT OF SHARED SERVICES, OFFICE OF PURCHASING, has received competitive bids under sealed bid solicitation # 8720-05210-066 for Horticulture Products for the Nassau County Department of Parks, Recreation & Museums, as more particularly described in the bid document; and

WHEREAS, the Commissioner of Shared Services is representing to the Rules Committee that SITEONE LANDSCAPE SUPPLY, LLC DBA ALL PRO HORTICULTURE submitted the lowest responsible bid and meets all specifications for the twenty-nine (29) items described in the said bid document as determined by the Commissioner of Shared Services.

RESOLVED, that the Rules Committee of the Nassau County Legislature authorizes the Commissioner of Shared Services to award and execute the said Blanket Purchase Order with SITEONE LANDSCAPE SUPPLY, LLC DBA ALL PRO HORTICULTURE.

COUNTY OF NASSAU  
INTER – DEPARTMENTAL MEMO

**TO:** CLERK OF THE COUNTY LEGISLATURE

**A-19-2021**

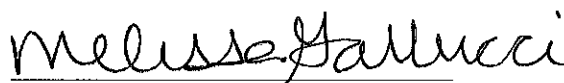
**FROM:** MELISSA GALLUCCI - COMMISSIONER OF SHARED SERVICES

**DATE:** MARCH 4, 2021

**SUBJECT:** RESOLUTION – DEPARTMENT OF PARKS, RECREATION & MUSEUMS

THIS RESOLUTION IS RECOMMENDED BY THE COMMISSIONER OF SHARED SERVICES TO AUTHORIZE AN AWARD AND TO EXECUTE A BLANKET PURCHASE ORDER FOR A MAXIMUM AMOUNT OF SIX HUNDRED AND TWENTY-FIVE THOUSAND DOLLARS (\$625,000.00) ON BEHALF OF THE NASSAU COUNTY DEPARTMENT OF PARKS, RECREATION & MUSEUMS TO SITEONE LANDSCAPE SUPPLY, LLC DBA ALL PRO HORTICULTURE, WHO IS THE LOWEST RESPONSIBLE BIDDER MEETING SPECIFICATIONS FOR TWENTY-NINE (29) OF THE ITEMS IDENTIFIED IN THE ATTACHED AWARD RECOMMENDATION MEMO TO PROVIDE HORTICULTURE PRODUCTS.

THE ABOVE DESCRIBED RESOLUTION AND SUPPORTING DOCUMENTATION ATTACHED HERETO IS FORWARDED FOR YOUR REVIEW, APPROVAL, AND SUBSEQUENT TRANSMITTAL TO THE RULES COMMITTEE FOR INCLUSION IN ITS AGENDA.



MELISSA GALLUCCI  
COMMISSIONER OF SHARED SERVICES

MS: br

- ENCL:
- (1) STAFF SUMMARY
  - (2) DISCLOSURE STATEMENT
  - (3) RESOLUTION
  - (4) BID PROPOSAL
  - (5) CERTIFICATE OF LIABILITY INSURANCE
  - (6) POLITICAL CONTRIBUTION FORM
  - (7) AWARD RECOMMENDATION MEMO





COUNTY OF NASSAU

POLITICAL CAMPAIGN CONTRIBUTION DISCLOSURE FORM

1. Has the vendor or any corporate officers of the vendor provided campaign contributions pursuant to the New York State Election Law in (a) the period beginning April 1, 2016 and ending on the date of this disclosure, or (b), beginning April 1, 2018, the period beginning two years prior to the date of this disclosure and ending on the date of this disclosure, to the campaign committees of any of the following Nassau County elected officials or to the campaign committees of any candidates for any of the following Nassau County elected offices: the County Executive, the County Clerk, the Comptroller, the District Attorney, or any County Legislator?

YES ☐ NO ☒ If yes, to what campaign committee?

2. VERIFICATION: This section must be signed by a principal of the consultant, contractor or Vendor authorized as a signatory of the firm for the purpose of executing Contracts.

The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

The undersigned further certifies and affirms that the contribution(s) to the campaign committees identified above were made freely and without duress, threat or any promise of a governmental benefit or in exchange for any benefit or remuneration.

Electronically signed and certified at the date and time indicated by:  
Eric Ramirez [ERAMIREZ@SITEONE.COM]

Dated: 03/12/2021 10:22:09 AM

Vendor: SiteOne Landscape Supply, dba All Pro  
Horticulture

Title: Production Manager

## PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire.

**COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD**

1. Principal Name: Doug Black  
Date of birth: 09/26/1964  
Home address: 606 Old Cobblestone Drive  
City: Atlanta State/Province/Territory: GA Zip/Postal Code: 30350  
Country: US

Business Address: 300 Colonial Center Parkway, Suite 600  
City: Roswell State/Province/Territory: GA Zip/Postal Code: 30076  
Country: US  
Telephone: 470-277-7000

Other present address(es):  
City: \_\_\_\_\_ State/Province/Territory: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_  
Country: \_\_\_\_\_  
Telephone: \_\_\_\_\_

List of other addresses and telephone numbers attached

2. Positions held in submitting business and starting date of each (check all applicable)

President	<u>04/28/2014</u>	Treasurer	_____
Chairman of Board	<u>06/23/2017</u>	Shareholder	_____
Chief Exec. Officer	<u>04/28/2014</u>	Secretary	_____
Chief Financial Officer	_____	Partner	_____
Vice President	_____		
(Other)	_____		

3. Do you have an equity interest in the business submitting the questionnaire?

YES ☐ NO ☒ If Yes, provide details.

4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire?

YES ☐ NO ☒ If Yes, provide details.

5. Within the past 3 years, have you been a principal owner or officer of any business or notfor-profit organization other than the one submitting the questionnaire?

YES ☒ NO ☐ If Yes, provide details.

yes I am an officer and on the Board of Directors/Managers for other SiteOne subsidiaries.

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer?

YES ☒ NO ☐ If Yes, provide details.

too many to list

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency. Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:

- a. Been debarred by any government agency from entering into contracts with that agency?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

- b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

- c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to, failure to meet pre-qualification standards?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

- d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated?

YES ☐ NO ☒ If 'Yes', provide details for each such instance. (Provide a detailed response to all questions check "Yes". If you need more space, photocopy the appropriate page and attached it to the questionnaire.)

9.

a. Is there any felony charge pending against you?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

b. Is there any misdemeanor charge pending against you?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

c. Is there any administrative charge pending against you?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

d. In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business? Y

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

e. In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

f. In the past 5 years, have you been found in violation of any administrative or statutory charges?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

10. In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

11. In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

12. In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

13. For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.



I, Doug Black , hereby acknowledge that a materially false statement willfully or fraudulently made in connection with this form may result in rendering the submitting business entity and/or any affiliated entities non-responsible, and, in addition, may subject me to criminal charges.

I, Doug Black , hereby certify that I have read and understand all the items contained in this form; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this form; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this form as additional inducement to enter into a contract with the submitting business entity.

**CERTIFICATION**

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

SiteOne Landscape Supply  
Name of submitting business

Electronically signed and certified at the date and time indicated by:  
Doug Black [DBLACK@SITEONE.COM]

CEO  
Title

11/19/2020 03:36:13 PM  
Date

## PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire.

**COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD**

1. Principal Name: Briley Brisendine  
Date of birth: 05/21/1970  
Home address: 956 Springdale Road NE  
City: Atlanta State/Province/Territory: GA Zip/Postal Code: 30306  
Country: US

Business Address: 300 Colonial Center Parkway, Suite 600  
City: Roswell State/Province/Territory: GA Zip/Postal Code: 30076  
Country: US  
Telephone: 4702777167

Other present address(es):  
City: \_\_\_\_\_ State/Province/Territory: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_  
Country: \_\_\_\_\_  
Telephone: \_\_\_\_\_

List of other addresses and telephone numbers attached

2. Positions held in submitting business and starting date of each (check all applicable)

President	_____	Treasurer	_____
Chairman of Board	_____	Shareholder	_____
Chief Exec. Officer	_____	Secretary	_____
Chief Financial Officer	_____	Partner	_____
Vice President	_____		
(Other)	_____		

Type	Description	Start Date
Other	Executive Vice President	09/07/2015

3. Do you have an equity interest in the business submitting the questionnaire?

YES ☒ NO ☐ If Yes, provide details.

As an employee of SiteOne Landscape Supply, I have received equity as part of my annual compensation. My holdings represent far less than 1% of the company's outstanding equity.

4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire?

YES ☐ NO ☒ If Yes, provide details.

5. Within the past 3 years, have you been a principal owner or officer of any business or notfor-profit organization other than the one submitting the questionnaire?

YES ☐ NO ☒ If Yes, provide details.

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer?

YES ☐ NO ☒ If Yes, provide details.

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency. Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:

- a. Been debarred by any government agency from entering into contracts with that agency?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

- b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

- c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to, failure to meet pre-qualification standards?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

- d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated?

YES ☐ NO ☒ If 'Yes', provide details for each such instance. (Provide a detailed response to all questions check "Yes". If you need more space, photocopy the appropriate page and attached it to the questionnaire.)

9.

- a. Is there any felony charge pending against you?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

- b. Is there any misdemeanor charge pending against you?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

- c. Is there any administrative charge pending against you?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

- d. In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business? Y

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

- e. In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

- f. In the past 5 years, have you been found in violation of any administrative or statutory charges?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

10. In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5?  
YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.
11. In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer?  
YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.
12. In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held?  
YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.
13. For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges?  
YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

I, Briley Brisendine , hereby acknowledge that a materially false statement willfully or fraudulently made in connection with this form may result in rendering the submitting business entity and/or any affiliated entities non-responsible, and, in addition, may subject me to criminal charges.

I, Briley Brisendine , hereby certify that I have read and understand all the items contained in this form; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this form; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this form as additional inducement to enter into a contract with the submitting business entity.

**CERTIFICATION**

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

SiteOne Landscape Supply  
Name of submitting business

Electronically signed and certified at the date and time indicated by:  
Briley Brisendine [BBRISENDINE@SITEONE.COM]

Executive Vice President  
Title

11/19/2020 12:27:07 PM  
Date

## PRINCIPAL QUESTIONNAIRE FORM

All questions on these questionnaires must be answered by all officers and any individuals who hold a ten percent (10%) or greater ownership interest in the proposer. Answers typewritten or printed in ink. If you need more space to answer any question, make as many photocopies of the appropriate page(s) as necessary and attach them to the questionnaire.

COMPLETE THIS QUESTIONNAIRE CAREFULLY AND COMPLETELY. FAILURE TO SUBMIT A COMPLETE QUESTIONNAIRE MAY MEAN THAT YOUR BID OR PROPOSAL WILL BE REJECTED AS NON-RESPONSIVE AND IT WILL NOT BE CONSIDERED FOR AWARD

1. Principal Name: John Guthrie  
Date of birth: 08/02/1965  
Home address: 270 Shallow Springs CT  
City: Roswell State/Province/Territory: GA Zip/Postal Code: 30075  
Country: US

Business Address: 300 Colonial Center Parkway, Suite 600  
City: Roswell State/Province/Territory: GA Zip/Postal Code: 30076  
Country: US  
Telephone: 470-277-7000

Other present address(es):  
City: \_\_\_\_\_ State/Province/Territory: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_  
Country: \_\_\_\_\_  
Telephone: \_\_\_\_\_

List of other addresses and telephone numbers attached

2. Positions held in submitting business and starting date of each (check all applicable)

President	_____	Treasurer	<u>05/15/2019</u>
Chairman of Board	_____	Shareholder	_____
Chief Exec. Officer	_____	Secretary	<u>10/07/2015</u>
Chief Financial Officer	<u>10/07/2015</u>	Partner	_____
Vice President	<u>10/07/2015</u>		
(Other)			

3. Do you have an equity interest in the business submitting the questionnaire?

YES ☐ NO ☒ If Yes, provide details.

4. Are there any outstanding loans, guarantees or any other form of security or lease or any other type of contribution made in whole or in part between you and the business submitting the questionnaire?

YES ☐ NO ☒ If Yes, provide details.

5. Within the past 3 years, have you been a principal owner or officer of any business or notfor-profit organization other than the one submitting the questionnaire?

YES ☒ NO ☐ If Yes, provide details.

Yes, I am an officer and on the Board of Directors/Managers for SiteOne subsidiaries.

6. Has any governmental entity awarded any contracts to a business or organization listed in Section 5 in the past 3 years while you were a principal owner or officer?

YES ☒ NO ☐ If Yes, provide details.

yes too many to list

NOTE: An affirmative answer is required below whether the sanction arose automatically, by operation of law, or as a result of any action taken by a government agency. Provide a detailed response to all questions checked "YES". If you need more space, photocopy the appropriate page and attach it to the questionnaire.

7. In the past (5) years, have you and/or any affiliated businesses or not-for-profit organizations listed in Section 5 in which you have been a principal owner or officer:

- a. Been debarred by any government agency from entering into contracts with that agency?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

- b. Been declared in default and/or terminated for cause on any contract, and/or had any contracts cancelled for cause?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

- c. Been denied the award of a contract and/or the opportunity to bid on a contract, including, but not limited to, failure to meet pre-qualification standards?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

- d. Been suspended by any government agency from entering into any contract with it; and/or is any action pending that could formally debar or otherwise affect such business's ability to bid or propose on contract?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

8. Have any of the businesses or organizations listed in response to Question 5 filed a bankruptcy petition and/or been the subject of involuntary bankruptcy proceedings during the past 7 years, and/or for any portion of the last 7 year period, been in a state of bankruptcy as a result of bankruptcy proceedings initiated more than 7 years ago and/or is any such business now the subject of any pending bankruptcy proceedings, whenever initiated?



YES ☐ NO ☒ If 'Yes', provide details for each such instance. (Provide a detailed response to all questions check "Yes". If you need more space, photocopy the appropriate page and attached it to the questionnaire.)

9.

a. Is there any felony charge pending against you?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

b. Is there any misdemeanor charge pending against you?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

c. Is there any administrative charge pending against you?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

d. In the past 10 years, have you been convicted, after trial or by plea, of any felony, or of any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business? Y

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

e. In the past 5 years, have you been convicted, after trial or by plea, of a misdemeanor?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

f. In the past 5 years, have you been found in violation of any administrative or statutory charges?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

10. In addition to the information provided in response to the previous questions, in the past 5 years, have you been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency and/or the subject of an investigation where such investigation was related to activities performed at, for, or on behalf of the submitting business entity and/or an affiliated business listed in response to Question 5?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

11. In addition to the information provided, in the past 5 years has any business or organization listed in response to Question 5, been the subject of a criminal investigation and/or a civil anti-trust investigation and/or any other type of investigation by any government agency, including but not limited to federal, state, and local regulatory agencies while you were a principal owner or officer?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

12. In the past 5 years, have you or this business, or any other affiliated business listed in response to Question 5 had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

13. For the past 5 tax years, have you failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges?

YES ☐ NO ☒ If yes, provide an explanation of the circumstances and corrective action taken.

I, John Guthrie , hereby acknowledge that a materially false statement willfully or fraudulently made in connection with this form may result in rendering the submitting business entity and/or any affiliated entities non-responsible, and, in addition, may subject me to criminal charges.

I, John Guthrie , hereby certify that I have read and understand all the items contained in this form; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this form; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this form as additional inducement to enter into a contract with the submitting business entity.

**CERTIFICATION**

A MATERIALLY FALSE STATEMENT WILLFULLY OR FRAUDULENTLY MADE IN CONNECTION WITH THIS QUESTIONNAIRE MAY RESULT IN RENDERING THE SUBMITTING BUSINESS ENTITY NOT RESPONSIBLE WITH RESPECT TO THE PRESENT BID OR FUTURE BIDS, AND, IN ADDITION, MAY SUBJECT THE PERSON MAKING THE FALSE STATEMENT TO CRIMINAL CHARGES.

SiteOne Landscape Supply, LLC

Name of submitting business

Electronically signed and certified at the date and time indicated by:

John Guthrie [JGUTHRIE@SITEONE.COM]

Chief Financial Officer

Title

11/19/2020 10:36:01 AM

Date



**Stronger Together**

**SITEONE LANDSCAPE SUPPLY, LLC**

**Slate of Officers** *(as of February 5, 2020)*

Doug Black	Chairman, President & Chief Executive Officer
Charles Blum	Regional Vice President, Region 5
Jason Brewster	Regional Vice President, Region 8
Briley Brisendine	Executive Vice President, General Counsel & Secretary
Scott Caringella	Regional Vice President, Region 10
Steve Counter	Vice President, Category Management
Jeff Domenick	Regional Vice President, Region 12
Eric Elema	Vice President, Corporate Controller & Assistant Treasurer
John Guthrie	Executive Vice President, Chief Financial Officer, Treasurer & Assistant Secretary
Matt Hart	President, West Division
Jarold Justice	Regional Vice President, Region 2
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Michael Palmgren	Vice President, Pricing & Business Intelligence
Brian Rowan	Vice President, Category Management
Scott Salmon	Executive Vice President, Strategy & Development
Greg Weller	Senior Vice President - Operations

**Board of Managers** *(as of May 15, 2019)*

Doug Black  
Briley Brisendine  
John Guthrie

**Sole Member**

SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC)

SiteOne Landscape Supply, Inc., a Delaware corporation (FEIN: 46-4056061)

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LandscapeXpress, Inc., a Delaware corporation (FEIN: 04-3455782)

LandscapeXpress, Inc., a Massachusetts corporation (FEIN: 04-3222950)

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The Dirt Doctors, LLC, a New Hampshire limited liability company (FEIN: 02-0627921)

Zaren Leasing, LLC, a New Hampshire limited liability company (FEIN: 02-0517425)

Modern Builders Supply, Inc., a California corporation (FEIN: 33-0433198)

### Business History Form

The contract shall be awarded to the responsible proposer who, at the discretion of the County, taking into consideration the reliability of the proposer and the capacity of the proposer to perform the services required by the County, offers the best value to the County and who will best promote the public interest.

In addition to the submission of proposals, each proposer shall complete and submit this questionnaire. The questionnaire shall be filled out by the owner of a sole proprietorship or by an authorized representative of the firm, corporation or partnership submitting the Proposal.

**NOTE: All questions require a response, even if response is "none" or "not-applicable." No blanks.**

(USE ADDITIONAL SHEETS IF NECESSARY TO FULLY ANSWER THE FOLLOWING QUESTIONS).

Date: 03/04/2021

1) Proposer's Legal Name: SiteOne Landscape Supply, LLC dba All Pro Horticulture

2) Address of Place of Business: 1385 East 36th Street

City: Cleveland State/Province/Territory: OH Zip/Postal Code: 44114

Country: US

3) Mailing Address (if different): \_\_\_\_\_

City: \_\_\_\_\_ State/Province/Territory: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_

Country: \_\_\_\_\_

Phone: \_\_\_\_\_

Does the business own or rent its facilities? Rent If other, please provide details:

\_\_\_\_\_

4) Dun and Bradstreet number: 180055774

5) Federal I.D. Number: 364485550

6) The proposer is a: Corporation (Describe) \_\_\_\_\_

7) Does this business share office space, staff, or equipment expenses with any other business?

YES ☐ NO ☒ If yes, please provide details:

\_\_\_\_\_

8) Does this business control one or more other businesses?

YES ☒ NO ☐ If yes, please provide details:

please see attached

1 File(s) Uploaded: List of SiteOne entities (Parent Subs - FEINS as of August 18 2020).docx

9) Does this business have one or more affiliates, and/or is it a subsidiary of, or controlled by, any other business?

YES ☒ NO ☐ If yes, please provide details:

\_\_\_\_\_

- 10) Has the proposer ever had a bond or surety cancelled or forfeited, or a contract with Nassau County or any other government entity terminated?  
YES ☐ NO ☒ If yes, state the name of bonding agency, (if a bond), date, amount of bond and reason for such cancellation or forfeiture: or details regarding the termination (if a contract).
- 11) Has the proposer, during the past seven years, been declared bankrupt?  
YES ☐ NO ☒ If yes, state date, court jurisdiction, amount of liabilities and amount of assets
- 12) In the past five years, has this business and/or any of its owners and/or officers and/or any affiliated business, been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency? And/or, in the past 5 years, have any owner and/or officer of any affiliated business been the subject of a criminal investigation and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency, where such investigation was related to activities performed at, for, or on behalf of an affiliated business.  
YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.
- 13) In the past 5 years, has this business and/or any of its owners and/or officers and/or any affiliated business been the subject of an investigation by any government agency, including but not limited to federal, state and local regulatory agencies? And/or, in the past 5 years, has any owner and/or officer of an affiliated business been the subject of an investigation by any government agency, including but not limited to federal, state and local regulatory agencies, for matters pertaining to that individual's position at or relationship to an affiliated business.  
YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.
- 14) Has any current or former director, owner or officer or managerial employee of this business had, either before or during such person's employment, or since such employment if the charges pertained to events that allegedly occurred during the time of employment by the submitting business, and allegedly related to the conduct of that business:  
a) Any felony charge pending?  
YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.  
  
b) Any misdemeanor charge pending?  
YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.



c) In the past 10 years, you been convicted, after trial or by plea, of any felony and/or any other crime, an element of which relates to truthfulness or the underlying facts of which related to the conduct of business?  
YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

d) In the past 5 years, been convicted, after trial or by plea, of a misdemeanor?  
YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

e) In the past 5 years, been found in violation of any administrative, statutory, or regulatory provisions?  
YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

- 15) In the past (5) years, has this business or any of its owners or officers, or any other affiliated business had any sanction imposed as a result of judicial or administrative proceedings with respect to any professional license held?  
YES ☐ NO ☒ If yes, provide details for each such investigation, an explanation of the circumstances and corrective action taken.

- 16) For the past (5) tax years, has this business failed to file any required tax returns or failed to pay any applicable federal, state or local taxes or other assessed charges, including but not limited to water and sewer charges?  
YES ☐ NO ☒ If yes, provide details for each such year. Provide a detailed response to all questions checked 'YES'. If you need more space, photocopy the appropriate page and attach it to the questionnaire.

17 Conflict of Interest:

- a) Please disclose any conflicts of interest as outlined below. NOTE: If no conflicts exist, please expressly state "No conflict exists."

(i) Any material financial relationships that your firm or any firm employee has that may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

no conflicts exist

(ii) Any family relationship that any employee of your firm has with any County public servant that may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

no

(iii) Any other matter that your firm believes may create a conflict of interest or the appearance of a conflict of interest in acting on behalf of Nassau County.

no

- b) Please describe any procedures your firm has, or would adopt, to assure the County that a conflict of interest would not exist for your firm in the future.

SiteOne Landscape Supply has a Business Code of Conduct & Ethics that applies to all employees and its Board of Directors. The Business Code of Conduct & Ethics prohibits conflicts of interest, and all associates are trained on the policy at least annually. SiteOne also maintains a Compliance & Ethics Hotline where alleged violations of the policy can be reported anonymously.

- A. Include a resume or detailed description of the Proposer's professional qualifications, demonstrating extensive experience in your profession. Any prior similar experiences, and the results of these experiences, must be identified.

Have you previously uploaded the below information under in the Document Vault?

YES ☐ NO ☒

Is the proposer an individual?

YES ☐ NO ☒ Should the proposer be other than an individual, the Proposal MUST include:

- i) Date of formation;

05/11/2001

- ii) Name, addresses, and position of all persons having a financial interest in the company, including shareholders, members, general or limited partner. If none, explain.

No one has financial interest in the company.

*No individuals with a financial interest in the company have been attached..*

1 File(s) Uploaded: sec-Report\_10-K.pdf

- iii) Name, address and position of all officers and directors of the company. If none, explain.

*No officers and directors from this company have been attached.*

1 File(s) Uploaded: 2019-2020 Slate of Officers - Board of Managers -Sole Member - SiteOne Landscape Supply LLC (as of February 5 2020).pdf

- iv) State of incorporation (if applicable);

DE

- v) The number of employees in the firm;

4600

- vi) Annual revenue of firm;

2360000000

- vii) Summary of relevant accomplishments

none

- viii) Copies of all state and local licenses and permits.

B. Indicate number of years in business.

19

C. Provide any other information which would be appropriate and helpful in determining the Proposer's capacity and reliability to perform these services.

none

D. Provide names and addresses for no fewer than three references for whom the Proposer has provided similar services or who are qualified to evaluate the Proposer's capability to perform this work.

Company	Monmouth County		
Contact Person	purchasing dept.		
Address	805 Newman springs rd		
City	Lincroft	State/Province/Territory	NJ
Country	US		
Telephone	(732) 842-4000		
Fax #			
E-Mail Address	Pembe.Tumbasolan@co.monmouth.nj.us		

Company	State of New Jersey		
Contact Person	Alexis Bell		
Address	33 West State Street		
City	Trenton	State/Province/Territory	NJ
Country	US		
Telephone	(609) 292-6817		
Fax #			
E-Mail Address	alexis.bell@treas.nj.gov		

Company	Township of Freehold		
Contact Person	Andread DiGiovanni		
Address	1 municipal plaza		
City	freehold	State/Province/Territory	NJ
Country	US		
Telephone	(732) 294-2000		
Fax #			
E-Mail Address	purchasing@twp.freehold.nj.us		

I, Eric Ramirez , hereby acknowledge that a materially false statement willfully or fraudulently made in connection with this form may result in rendering the submitting business entity and/or any affiliated entities non-responsible, and, in addition, may subject me to criminal charges.

I, Eric Ramirez , hereby certify that I have read and understand all the items contained in this form; that I supplied full and complete answers to each item therein to the best of my knowledge, information and belief; that I will notify the County in writing of any change in circumstances occurring after the submission of this form; and that all information supplied by me is true to the best of my knowledge, information and belief. I understand that the County will rely on the information supplied in this form as additional inducement to enter into a contract with the submitting business entity.

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Name of submitting business: SiteOne Landscape Supply, dba All Pro Horticulture

Electronically signed and certified at the date and time indicated by:  
Eric Ramirez [ERAMIREZ@SITEONE.COM]

Production Manager

Title

03/04/2021 01:01:34 PM

Date



**Stronger Together**

**SITEONE LANDSCAPE SUPPLY, LLC**

**Slate of Officers** *(as of February 5, 2020)*

Doug Black	Chairman, President & Chief Executive Officer
Charles Blum	Regional Vice President, Region 5
Jason Brewster	Regional Vice President, Region 8
Briley Brisendine	Executive Vice President, General Counsel & Secretary
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Taylor Koch	President, East Division
Sean Kramer	Vice President & Chief Information Officer
Ron Miller	Regional Vice President, Region 4
Kevin Natella	Regional Vice President, Region 6
Mark Nattinger	Regional Vice President, Region 7
Michael Palmgren	Vice President, Pricing & Business Intelligence
Brian Rowan	Vice President, Category Management
Scott Salmon	Executive Vice President, Strategy & Development
Greg Weller	Senior Vice President - Operations

**Board of Managers** *(as of May 15, 2019)*

Doug Black  
Briley Brisendine  
John Guthrie

**Sole Member**

SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC)

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549  

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**FORM 10-K**  

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☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 29, 2019  
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-37760



**SiteOne Landscape Supply, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**46-4056061**  
(IRS Employer  
Identification No.)

**300 Colonial Center Parkway, Suite 600, Roswell, Georgia 30076**  
(Address of principal executive offices) (Zip Code)

**(470) 277-7000**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12 (b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	SITE	New York Stock Exchange

Securities registered pursuant to Section 12 (g) of the Act:

**None**  
\_\_\_\_\_  
(Title of class)



## Table of Contents

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Non-accelerated filer ☐

Accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2019, there were 41,199,427 shares of common stock of SiteOne Landscape Supply, Inc. outstanding, and the aggregate market value of the voting and non-voting common equity of SiteOne Landscape Supply, Inc. held by non-affiliates (assuming only for purposes of this computation that directors and officers may be affiliates) was approximately \$2,824,318,243 based on the closing price of SiteOne Landscape Supply, Inc.'s common stock on The New York Stock Exchange ("NYSE") on June 28, 2019 (the last trading day of our most recently completed fiscal second quarter).

As of February 21, 2020, the number of shares of the registrant's common stock outstanding were 41,789,003, par value \$0.01 per share.

### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's proxy statement to be filed with the U.S. Securities and Exchange Commission in connection with the registrant's 2020 Annual Meeting of Stockholders (the "Proxy Statement") are incorporated by reference into Part III hereof. Such Proxy Statement will be filed within 120 days of the registrant's fiscal year ended December 29, 2019.

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**Special Note Regarding Forward-Looking Statements and Information**

This Annual Report on Form 10-K contains forward-looking statements and cautionary statements within the meaning of the Private Securities Litigation Reform Act of 1995. Some of the forward-looking statements can be identified by the use of terms such as “may,” “intend,” “might,” “will,” “should,” “could,” “would,” “expect,” “believe,” “estimate,” “anticipate,” “predict,” “project,” “potential,” or the negative of these terms, and similar expressions. You should be aware that these forward-looking statements are subject to risks and uncertainties that are beyond our control. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. New factors that could cause our business not to develop as we expect may emerge from time to time and it is not possible for us to predict all of them. Factors that may cause actual results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to, the following:

- cyclicalities in residential and commercial construction markets;
- general economic and financial conditions;
- weather conditions, seasonality, and availability of water to end-users;
- public perceptions that our products and services are not environmentally friendly;
- competitive industry pressures;
- product shortages and the loss of key suppliers;
- product price fluctuations;
- ability to pass along product cost increases;
- inventory management risks;
- ability to implement our business strategies and achieve our growth objectives;
- acquisition and integration risks;
- increased operating costs;
- risks associated with our large labor force;
- retention of key personnel;
- construction defect and product liability claims;
- impairment of goodwill;
- adverse credit and financial markets events and conditions;
- credit sale risks;
- performance of individual branches;
- environmental, health and safety laws and regulations;
- hazardous materials and related materials;
- laws and government regulations applicable to our business that could negatively impact demand for our products;
- computer data processing systems;
- cybersecurity incidents;
- security of personal information about our customers;
- intellectual property and other proprietary rights;
- the possibility of securities litigation;
- unanticipated changes in our tax provisions;
- our substantial indebtedness and our ability to obtain financing in the future;
- increases in interest rates;
- risks related to our common stock;
- terrorism or the threat of terrorism; and
- risks related to other factors discussed under “Risk Factors” and elsewhere in this Annual Report on Form 10-K.

You should read this report completely and with the understanding that actual future results may be materially different from expectations. All forward-looking statements made in this report are qualified by these cautionary statements. These forward-looking statements are made only as of the date of this report, and we do not undertake any obligation, other than as may be required by law, to update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, changes in future operating results over time or otherwise.

Comparisons of results for current and any prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should only be viewed as historical data.

## **PART I**

As used in this Annual Report on Form 10-K for the fiscal year ended December 29, 2019, references to: “we,” “us,” “our,” “SiteOne,” or the “Company” refer to SiteOne Landscape Supply, Inc. and its consolidated subsidiaries. The term “Holdings” refers to SiteOne Landscape Supply, Inc. individually without its subsidiaries. References to the “2019 Fiscal Year,” the “2018 Fiscal Year,” and the “2017 Fiscal Year” refer to the fiscal years ended December 29, 2019, December 30, 2018, and December 31, 2017, respectively.

### **Item 1. Business**

The following discussion of our business contains “forward-looking statements,” as discussed in “Special Note Regarding Forward-Looking Statements and Information” above. Our business, operations, and financial condition are subject to various risks as set forth in Part I, Item 1A., “Risk Factors” below. The following information should be read in conjunction with the Risk Factors, Management’s Discussion and Analysis of Financial Condition and Results of Operations and the Financial Statements and Supplementary Data and related notes included elsewhere in this Annual Report on Form 10-K.

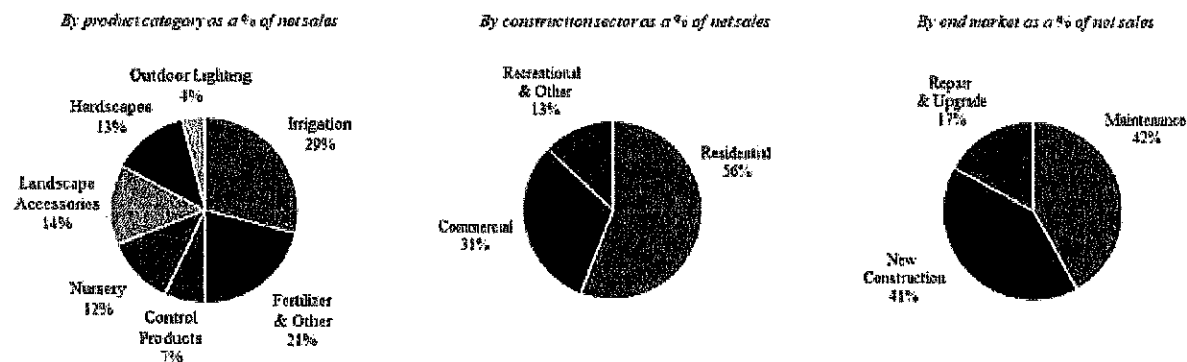
#### **Company Overview**

We are the largest and only national wholesale distributor of landscape supplies in the United States and have a growing presence in Canada. Our customers are primarily residential and commercial landscape professionals who specialize in the design, installation and maintenance of lawns, gardens, golf courses, and other outdoor spaces. As of December 29, 2019, we had over 550 branch locations in 45 U.S. states and six Canadian provinces. Through our expansive North American network, we offer a comprehensive selection of more than 120,000 stock keeping units (“SKUs”) including irrigation supplies, fertilizer and control products (e.g., herbicides), landscape accessories, nursery goods, hardscapes (including pavers, natural stone, and blocks), outdoor lighting, and ice melt products. We also provide value-added consultative services to complement our product offerings and to help our customers operate and grow their businesses. Our consultative services include assistance with irrigation network design, commercial project planning, generation of sales leads, marketing services, and product support, as well as a series of technical and business management seminars that we call SiteOne University.

Our typical customer is a private landscape contractor that operates in a single market. We interact regularly with our customers because of the recurring nature of landscape services and because most contractors buy products on an as-needed basis. We believe our high-touch customer service model strengthens relationships, builds loyalty, and drives repeat business. In addition, our broad product portfolio, convenient branch locations, and nationwide fleet of over 1,500 delivery vehicles position us well to meet the needs of our customers and ensure timely delivery of products. We source our products from approximately 4,000 suppliers, including the major irrigation equipment manufacturers, turf and ornamental fertilizer/chemical companies, and a variety of suppliers who specialize in nursery goods, outdoor lighting, hardscapes, and other landscape products.

We have a balanced mix of sales across product categories, construction sectors, and end markets. We derived approximately 56% of our 2019 Fiscal Year Net sales from the residential construction sector, 31% from the commercial (including institutional) construction sector, and 13% from the recreational and other construction sector. By end market, we derived approximately 42% of our 2019 Fiscal Year Net sales from maintenance of residential, commercial, and recreational properties. The recurring nature of landscape maintenance demand helps to provide stability in our financial performance across economic cycles. Fertilizer and control products are the primary products used in maintenance. The sale of products relating to new construction of homes, commercial buildings, and recreational spaces accounted for approximately 41% of our 2019 Fiscal Year Net sales. These products primarily include irrigation, nursery, hardscapes, outdoor lighting, and landscape accessories. Approximately 17% of our 2019 Fiscal Year Net sales were derived from sales of products for the repair and upgrade of existing landscapes. These sales benefit from increasing existing home sales, increasing home prices, and rising consumer spending.

## Net Sales for 2019 Fiscal Year



### Our History

Our company was established after Deere & Company (“Deere”) entered the wholesale landscape distribution market through the acquisitions of McGinnis Farms and Century Rain Aid in 2001, United Green Mark in 2005, and LESCO Inc. (“LESCO”) in 2007, each of which significantly expanded our geographic footprint and broadened our product portfolio. In December 2013, an affiliate (the “CD&R Investor”) of Clayton, Dubilier & Rice, LLC (“CD&R”) purchased a 60% interest in our company from Deere (“CD&R Acquisition”). On May 17, 2016, we completed the initial public offering (“IPO”) of our common stock in which Deere and the CD&R Investor were the sole sellers of our common stock to the public. On December 5, 2016, May 1, 2017, and July 26, 2017, we completed secondary offerings of our common stock in which Deere and the CD&R Investor were the sole sellers.

### Our Industry

Based on management’s estimates, we believe that our addressable market in North America for the wholesale distribution of landscape supplies represented approximately \$20 billion in revenue in 2019. Growth in our industry is driven by a broad array of factors, including consumer spending, housing starts, existing home sales, home prices, commercial construction, repair and remodeling spending, and demographic trends. Within the wholesale landscape supply industry, products sold for residential applications represent the largest construction sector, followed by the commercial and recreational and other sectors. Based on management estimates, we believe that nursery products represent the largest product category in the industry, with sales accounting for more than one-third of industry sales, followed by landscape accessories with approximately one-fifth of industry sales and each of control products, hardscapes, irrigation products and outdoor lighting, and fertilizer and other accounting for approximately one-tenth of industry sales.

The wholesale landscape supply industry is highly fragmented, consisting primarily of regional private businesses that typically have a small geographic footprint, a limited product offering, and limited supplier relationships. Wholesale landscape supply distributors primarily sell to landscape service firms, ranging from sole proprietorships to national enterprises. Landscape service firms include general landscape contractors and specialty landscape firms, such as lawn care, tree and foliage maintenance firms. Over the past decade, professional landscape contractors have increasingly offered additional products and services to meet their customers’ needs. These firms historically needed to make numerous trips to branches in various locations to source their products. Consequently, landscape professionals have come to value distribution partners who offer a larger variety of product categories and services, particularly given the recurring nature of landscape maintenance services.

### Our Strategies

Key elements of our strategy are as follows:

#### ***Build Upon Strong Customer and Supplier Relationships to Expand Organically***

Our national footprint and broad supplier relationships, combined with our regular interaction with a large and diverse customer base, make us an important link in the supply chain for landscape products. Our suppliers benefit from access to our more than 230,000 customers, a single point of contact for improved production planning and efficiency, and our ability to bring new product launches quickly to market on a national scale. We intend to continue to increase our size and scale in customer, geographic, and product reach,

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which we believe will continue to benefit our supplier base. We will continue to work with new and existing suppliers to maintain the most comprehensive product offering for our customers at competitive prices and enhance our role as a critical player in the supply chain.

### ***Grow at the Local Level***

The vast majority of our customers operate at a local level. We believe we can grow market share in our existing markets with limited capital investment by systematically executing local strategies to expand our customer base, increase the amount of our customers' total spending with us, optimize our network of locations, coordinate multi-site deliveries, partner with strategic local suppliers, introduce new products and services, increase our share of underrepresented products in particular markets, and improve sales force performance. We currently offer our full product line only in approximately 30% of the metropolitan statistical areas ("MSAs") in the United States where we have a branch, and therefore believe we have the capacity to offer significantly more product lines and services in our geographic markets.

### ***Pursue Value-Enhancing Strategic Acquisitions***

Through recently completed acquisitions, we have added new markets in the United States and Canada, new product lines, talented associates, and operational best practices. In addition, we increased our sales by introducing products from our existing portfolio to customers of newly acquired companies. We intend to continue pursuing strategic acquisitions to better serve our customers, grow our market share, and enhance our local market leadership positions by taking advantage of our scale, operational experience, and acquisition know-how. In addition, we currently have branches in approximately 50% of the 384 U.S. MSAs and are focused on identifying and reviewing attractive new geographic markets for expansion through acquisitions. We will continue to apply a selective and disciplined acquisition strategy to maximize synergies obtained from enhanced sales and lower procurement and corporate costs.

### ***Execute on Identified Operational Initiatives***

We continue to undertake operational initiatives, utilizing our scale to improve our profitability, enhance supply chain efficiency, strengthen our pricing and category management capabilities, streamline and refine our marketing process, and invest in more sophisticated information technology systems and data analytics. Additionally, we have continued our e-Commerce initiative, to include the enhancement of our website and business-to-business (B2B) e-Commerce platform. Although we are still in the early stages of these initiatives, they have already enhanced our customer service, contributed to improvement in our profitability, and we believe we will continue to benefit from these and other operational improvements.

### ***Be the Employer of Choice***

We believe our associates are the key drivers of our success, and we aim to recruit, train, promote, and retain the most talented and success-driven personnel in the industry. Our size and scale enable us to offer structured training and career path opportunities for our associates, while at the area and branch level, we have built a vibrant and entrepreneurial culture that rewards performance. We promote ongoing, open and honest communication with our associates to ensure mutual trust, engagement, and performance improvement. We believe that high-performing local leaders coupled with creative, adaptable, and engaged associates are critical to our success and to maintaining our competitive position, and we are committed to being the employer of choice in our industry.

### **Our Products and Services**

Our comprehensive portfolio of landscape products consists of over 120,000 SKUs from approximately 4,000 suppliers. Our product portfolio includes irrigation, fertilizer and other, control products, landscape accessories, nursery goods, hardscapes, and outdoor lighting products. Our customers value our product breadth and geographic reach, as well as our on-site expertise and consultative services. While pricing is important to our customers, availability, convenience, and expertise are also important factors in their purchase decisions. In addition to other capabilities, our ability to offer the significant yard space and special equipment required by items such as nursery goods and hardscapes, provides us with a competitive advantage over many competitors who offer a more limited selection of product categories.

Refer to "Note 2. Revenue from Contracts with Customers" to our audited financial statements for information on our Net sales in landscaping products (irrigation, nursery, hardscapes, outdoor lighting, and landscape accessories) and agronomic and other products (fertilizer, control products, ice melt, equipment, and other products).

### ***Irrigation***

Our irrigation products include controllers, valves, sprinkler heads, and irrigation and drainage pipes. The market for irrigation products has historically provided stable growth and is driven primarily by new home construction and maintenance of existing irrigation systems.



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### ***Fertilizer & Other***

Our fertilizer and other products include fertilizer, grass seed, and ice melt products. Fertilizer products are sold to the maintenance end market and accordingly are relatively stable through economic cycles.

### ***Control Products***

Our control products are specialty products that include herbicides, fungicides, rodenticides, and other pesticides. Similar to fertilizer products, control products sales are strongly tied to the maintenance end market and accordingly are relatively stable through economic cycles.

### ***Landscape Accessories***

Our landscape accessories products include mulches, soil amendments, tools, and sod. Landscape accessories are typically sold in combination with other landscape supply products. As a result, sales of these accessories are often tied to sales of fertilizers and control products, as well as sales of nursery goods and hardscapes products.

### ***Nursery Goods***

Our nursery goods include deciduous shrubs, evergreen shrubs and trees, ornamental trees, shade trees, both field grown and container-grown nursery stock, and hundreds of plant species and cultivars available in a number of heights and bloom colors.

### ***Outdoor Lighting***

Our outdoor lighting products include accent lights, dark lights, path lights, up lights, down lights, wall lights, and pool and aquatic area lighting.

### ***Hardscapes***

Hardscapes include pavers, natural stone, blocks, and other durable materials.

### ***Proprietary Branded Products***

In addition to distributing branded products of third parties, we offer products under our proprietary brands. Sales of LESCO®, SiteOne Green Tech®, and Pro-Trade® together accounted for approximately 15% of our 2019 Fiscal Year Net sales, the large majority of which is attributable to LESCO®.

#### ***LESCO®***

LESCO® is a premium brand and maintains strong brand awareness with golf and professional landscape contractors.

Under the LESCO® brand, we offer formulations of fertilizer (liquid and granular), combination products (pesticides on a fertilizer carrier), control products (liquid and granular pesticides), specialty chemicals, turf seed, application equipment (engine powered and walk behind or other non-engine powered), paint, maintenance products like engine oil, windshield washer fluid, ice melt, trimmer line and soil tests. LESCO® products are sold through our branches and retail outlets such as The Home Depot and True Value.

#### ***SiteOne Green Tech®***

We offer pre-packaged landscape and irrigation management solutions that are designed to help customers manage and conserve water under the SiteOne Green Tech® brand. The core SiteOne Green Tech® product lines include central irrigation control systems, solar assemblies, fertilizer injection systems, irrigation pumps, and hand-held remote control equipment.



In 2017, we launched a line of professional-grade LED lamps and lighting solutions under our Pro-Trade® brand. The Pro-Trade® line of products is sold exclusively through our branches and currently includes landscape lighting products, wire connectors, and centrifugal pumps. In total, we introduced another 20 products in 2019 and plan to continue expanding our Pro-Trade® offering in 2020.

## **Services**

We offer a variety of complementary, value-added services to support the sale of our products. We do not derive separate revenue for these services, but we believe they are an important differentiator in establishing our value proposition to our customers.

### ***Product Knowledge and Technical Expertise***

Consultative services provided by our local staff, many of whom are former landscape contractors or golf course superintendents, include product selection and support, assistance with design and implementation of landscape projects, and potential sales leads for new business opportunities. Our SiteOne University program provides customers with access to substantive training and informational seminars that directly support the growth of their businesses. The program includes technical training, licensing, certifications, and business management seminars. In addition, our product category experts provide technical knowledge on the features and benefits of our products as well as installation techniques.

### ***Project Services***

We partner with our customers by providing consultative services to help them save time, money, and effort in bidding for new projects, and for new landscape installations. Our regionally based project services teams specialize in quoting, estimating, and completing sales for customers who compete in the commercial construction sector. Other services provided by our project services teams include specifications assistance and irrigation design.

### ***Partners Program***

We offer a loyalty rewards program, our Partners Program, which had approximately 20,000 enrolled customers as of December 29, 2019 and provides business and personal rewards, access to business services at preferred rates and technical training and support. Reward points may be spent, for example, on credit on-account, trips and special events, gift cards to major retailers, and SiteOne University courses and educational events. Access to preferred rate business services includes, for example, payroll and select human resource services, cell phone services, office supplies, auto and fleet insurance, and fuel rebates. For the 2019 Fiscal Year, Partners Program participants accounted for approximately 52% of our Net sales.

## **Operational Structure**

Our operational philosophy is to create local area teams and branch networks specifically designed to best meet our customers' needs at the local market level, while supporting these teams with the resources of a large company delivered through regional and divisional management, including company-wide functions.

At the local market level, we organize our over 550 branches and approximately 400 outside sales representatives into 46 designated "areas" that each typically serve a defined geography, a large MSA or a combination of MSAs in close proximity. Area Managers are responsible for organization and talent planning, branch operations, sales strategy, and product delivery strategy. Area Managers are supported by an Area Business Manager responsible for executing the local market strategies and key initiatives to grow sales and profitability.

We support our over 550 branches and 46 areas with regional management and company-wide functions providing: management of business performance, development and execution of local strategies, sharing of best practices, execution and integration of acquisitions, finance and accounting expertise (credit/collections, payables), category management and procurement, supply chain (planners, buyers), pricing strategies, marketing, and information technology. Our branches are integrated on a single technology platform, allowing us to leverage our full operational scale for procurement, inventory management, financial support, data analytics, and performance reporting.

Our outside sales force is organized by geographic area. Each area maintains a number of outside sales representatives who drive sales growth on behalf of several branches across a variety of accounts from landscape contractors to municipal agencies. We also maintain a sales force of agronomic sales representatives who are focused on growing sales with customers in the golf industry.

We have a national account sales organization which leads sales strategy and execution for our largest national and regional customers. The national sales team is organized around five different market verticals: landscape and grounds maintenance, golf, retail, international, and environmental accounts. Each national account manager is responsible for a group of large accounts and coordinates our business with them both nationally and locally through our local sales representatives. National account managers negotiate national programs with our largest customers in order to increase our share of their business.

## **Distribution Network**

We use two distribution models to offer a comprehensive selection of products and meet the needs of each local market.

### ***Branches***

Our branch network is the core of our operations and creates a valuable connection between our suppliers and our customers. Of our approximately 4,000 suppliers, few are set up to serve the shipping needs of our customers as their supply chains are typically focused on bulk quantities shipped from only a few locations. In contrast, many of our customers often require comparatively small quantities of products from numerous suppliers to complete a typical project, making it unfeasible to source directly from those suppliers. Our branch network provides significant value to our suppliers by maintaining local availability of core and complementary products in quantities our customers need.

The majority of our branches carry multiple product categories, but do not carry all of them. Branches that carry our full product lines combine our regular branch facilities with large 8-to-15 acre yards suitable for nursery goods and hardscape products. Yards are well-equipped to manage truckload-purchased landscape, nursery, and hardscape products and can maintain a diverse variety of greenhouse and nursery plants. All locations offering nursery goods have water distribution systems to maintain inventories, and many of these locations have access to municipal water supply, wells or ponds. Branches are strategically located near residential areas with convenient highway access. In-store merchandising displays are utilized to emphasize product features and seasonal promotions. We primarily lease 5,000 to 15,000 square foot facilities in both freestanding and multi-tenant buildings, with secured outside storage yards averaging from 10,000 to 20,000 square feet in some branches.

### ***Direct Distribution***

Our direct distribution business provides point-to-point logistics for bulk quantities of landscape products between suppliers and customers. Our direct distribution business provides customers with sourcing and logistics support services for inventory management and delivery, in many cases more economically than the producers might otherwise provide. We believe that producers view us not as competitors, but as providers of a valuable service, brokering these large orders through the use of our network. We typically do not maintain inventory for direct distribution, but rather use our existing supplier relationships, marketing expertise, and ordering and logistics infrastructure to serve this demand, requiring less working capital investment for these sales. Approximately 7% of our 2019 Fiscal Year Net sales were from direct distribution.

Direct distribution is preferred for contractors with large projects, typically designed by professional landscape architects. Contractors work hand-in-hand with our outside sales and inside sales teams, including project planning support with material take-offs, product sourcing, and bid preparation. Using our large vendor network, our associates arrange convenient direct shipments to jobs, coordinated and staged according to each phase of construction. This distribution channel primarily handles bulk nursery, agronomic, landscape, and hardscape products.

## **Customers**

Our customers are primarily residential and commercial landscape professionals who specialize in the design, installation and maintenance of lawns, gardens, golf courses, and other outdoor spaces. Our customer base consists of more than 230,000 firms and individuals, with our top 10 customers collectively accounting for approximately 4% of our 2019 Fiscal Year Net sales, with no single customer accounting for more than 2% of Net sales. Small customers, with annual purchases of up to \$25,000, made up 28% of our 2019 Fiscal Year Net sales. Medium customers, with annual purchases between \$25,000 and \$150,000, made up 34% of our 2019 Fiscal Year Net sales. Large customers, with annual purchases over \$150,000, made up 38% of our 2019 Fiscal Year Net sales. Some of our largest customers include BrightView, The Home Depot, Weedman, and TruGreen. Distribution of our LESCO® proprietary branded products on a wholesale basis to retailers represented less than 1% of our 2019 Fiscal Year Net sales.

## **Suppliers**

We source our products from approximately 4,000 suppliers, including the major irrigation equipment manufacturers, turf and ornamental fertilizer/chemical companies, and a variety of suppliers who specialize in nursery goods, outdoor lighting, hardscapes, and other landscape products. Some of our largest suppliers include Hunter, Rain Bird, Toro, Oldcastle, Turf Care Supply, Cresline, Bayer, NDS, NuFarm, and Syngenta. Purchases from our top 10 suppliers accounted for approximately 35% of total purchases for our 2019 Fiscal Year.

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We generally procure our products through purchase orders rather than under long-term contracts with firm commitments. We work to develop strong relationships with a select group of suppliers that we target based on a number of factors, including brand and market recognition, price, quality, product support, service levels, delivery terms, and their strategic positioning. We typically have annual supplier agreements, and while they generally do not provide for specific product pricing, many include volume-based financial incentives that we earn by meeting or exceeding purchase volume targets. Our ability to earn these volume-based incentives is an important factor in our financial results. In certain cases, we have entered into supply contracts with terms that exceed one year for the manufacture of our LESCO® branded fertilizer, some nursery goods, and grass seed, which may require us to purchase products in the future.

### **Competition**

The majority of our competition comes from other wholesale landscape supply distributors. Among wholesale distributors, we primarily compete against a small number of regional distributors and many small, local, privately-owned distributors. Some of our competitors carry several product categories, while others mainly focus on one product category such as irrigation, fertilizer/control, nursery goods, or hardscapes. We are one of the only wholesale distributors which carries the full line of irrigation, fertilizer and other, control products, landscape accessories, nursery goods, hardscapes, and outdoor lighting products.

We believe our top nine largest competitors include Ewing, Harrell's, Horizon Distributors (a subsidiary of Pool Corporation), BWI, Target Specialty Products, Howard Fertilizer and Chemical, Heritage Landscape Supply Group (a subsidiary of SRS Distribution), BFG Supply, and Winfield Solutions.

We believe smaller, regional or local competitors still comprise approximately 88% of the landscape supply industry based on 2019 Net sales. The principal competitive factors in our business include, but are not limited to, location, availability of materials and supplies, technical product knowledge and expertise, advisory or other service capabilities, delivery capabilities, pricing of products, and availability of credit.

### **Associates**

As of December 29, 2019, we had approximately 4,600 associates, none of whom were affiliated with labor unions. We believe that we have good relations with our associates. Additionally, we believe that the training provided through our development programs and our entrepreneurial, performance-based culture provide significant benefits to our associates. Approximately 92% of our associates are employed on a full-time, year-round basis. Our associate count currently includes approximately 400 seasonal associates, who are temporarily employed due to the weather-dependent nature of our business. An associate is anyone employed by the Company.

### **Service Marks, Trademarks and Trade Names**

We hold various trademark registrations, including SiteOne®, LESCO®, SiteOne Green Tech®, and Pro-Trade®, which we consider important to our marketing activities. Generally, trademark rights have a perpetual life, provided that they are renewed on a timely basis and continue to be used properly as trademarks. We intend to maintain these trademark registrations and the other trademarks associated with our business so long as they remain valuable to our business. In addition, other than commercially available software licenses, we do not believe that any of our licenses for third-party intellectual property are material to our business, taken as a whole.

### **Weather Conditions and Seasonality**

For a discussion regarding seasonality and weather, refer to Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations - Weather Conditions and Seasonality," of this Annual Report on Form 10-K.

### **Regulatory Compliance**

#### ***Government Regulations***

We are subject to various federal, state, provincial, and local laws and regulations, compliance with which increases our operating costs, limits or restricts the products and services we provide or the methods by which we offer and sell those products and services or conduct our business, and subjects us to the possibility of regulatory actions or proceedings. Noncompliance with these laws and regulations can subject us to fines or various forms of civil or criminal prosecution, any of which could have a material adverse effect on our reputation, business, financial position, results of operations, and cash flows.

These federal, state, provincial, and local laws and regulations include laws relating to consumer protection, wage and hour, deceptive trade practices, permitting and licensing, state contractor laws, workers' safety, tax, healthcare reforms, collective bargaining and other labor matters, environmental, and employee benefits.



***Environmental, Health and Safety Matters***

We are subject to numerous federal, state, provincial, and local environmental, health and safety laws and regulations, including laws that regulate the emission or discharge of materials into the environment, govern the use, handling, treatment, storage, disposal, and management of hazardous substances and wastes, protect the health and safety of our associates and users of our products, and impose liability for investigating and remediating, and damages resulting from, present and past releases of hazardous substances at sites we have ever owned, leased or operated, or used as a disposal site.

In the United States, we are regulated under many environmental, health and safety laws, including the Comprehensive Environmental Response, Compensation and Liability Act, the Federal Environmental Pesticide Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Clean Air Act, the Clean Water Act, and the Occupational Safety and Health Act, each as amended. Certain laws, such as those requiring the registration of herbicides and pesticides, and regulating their use, also involve the oversight of regulatory authorities and public health agencies. Although we strive to comply with such laws and have processes in place designed to achieve compliance, we may be unable to prevent violations of these or other laws from occurring. We could also incur significant investigation and clean-up costs for contamination at any currently or formerly owned or operated facilities, including LESCO's manufacturing and blending facilities. Refer to "Note 11. Commitments and Contingencies" to our audited consolidated financial statements.

In addition, we cannot predict the effect of possible future environmental, health or safety laws on our operations. Changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination, or the imposition of other environmental liabilities or obligations in the future, including obligations with respect to any potential health hazards of our products, may lead to additional compliance or other costs.

**Available Information**

We make available free of charge on the "Investor Relations" page of our website, [www.siteone.com](http://www.siteone.com), our filed and furnished reports on Forms 10-K, 10-Q, and 8-K, and all amendments thereto, as soon as reasonably practicable after the reports are filed with or furnished to the Securities and Exchange Commission (the "SEC").

Our Corporate Governance Guidelines, Board of Directors Communication Policy, Business Code of Conduct and Ethics, Financial Code of Ethics, and the Charters of the Audit Committee, the Human Resources and Compensation Committee, and the Nominating and Corporate Governance Committee of the Board of Directors are also available on the "Investor Relations" page of our website. The information contained on our website is not incorporated herein by reference. Copies of these documents (without exhibits, when applicable) are also available free of charge upon request to us at 300 Colonial Center Parkway, Suite 600, Roswell, Georgia 30076, Attention: Investor Relations or by telephone at (404) 277-7000. In addition, the SEC maintains a website that contains reports, proxy, and information statements, and other information regarding issuers, including us, that file electronically with the SEC at [www.sec.gov](http://www.sec.gov). We are required to disclose any change to, or waiver from, our Business Code of Conduct and Ethics for our executive officers and Board members. We use our website to disseminate this disclosure as permitted by applicable SEC rules.

**Item 1A. Risk Factors**

*You should carefully consider the factors described below, in addition to the other information set forth in this Annual Report on Form 10-K. These risk factors are important to understanding the contents of this Annual Report on Form 10-K and of other reports. Our reputation, business, financial position, results of operations, and cash flows are subject to various risks. The risks and uncertainties described below are not the only ones relevant to us. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial may also adversely impact our reputation, business, financial position, results of operations and cash flows.*

**Risks Related to Our Business and Our Industry**

*Cyclicality in our business could result in lower Net sales and reduced cash flows and profitability. We have been, and in the future may be, adversely impacted by declines in the new residential and commercial construction sectors, as well as in spending on repair and upgrade activities.*

We sell a significant portion of our products for landscaping activities associated with new residential and commercial construction sectors, which have experienced cyclical downturns in the past, some of which have been severe. The strength of these markets depends on, among other things, housing starts, consumer spending, non-residential construction spending activity and business investment, which are a function of many factors beyond our control, including interest rates, employment levels, changes in the tax laws, availability of credit, geopolitics, consumer confidence, and capital spending. Weakness or downturns in residential and commercial construction markets could have a material adverse effect on our business, operating results or financial condition.

Sales of landscape supplies to contractors serving the residential construction sector represent a significant portion of our business and demand for our products is highly correlated with new residential construction. Housing starts are dependent upon a number of factors, including housing demand, housing inventory levels, housing affordability, foreclosure rates, demographic changes, the availability of land, local zoning and permitting processes, the availability of construction financing, and the health of the economy and mortgage markets. Unfavorable changes in any of these factors could adversely affect consumer spending, result in decreased demand for homes and adversely affect our business. The timing and extent of any recovery in homebuilding activity and the resulting impact on demand for landscape supplies are uncertain.

Our Net sales also depend, in significant part, on commercial construction, which is cyclical in nature and subject to downturns, which can be severe. Previously, downturns in the commercial construction market have typically lasted about two to three years, resulting in market declines of approximately 20% to 40%, while the most recent downturn in the commercial construction market lasted over four years, resulting in a market decline of approximately 60%. We cannot predict the duration of the current market conditions or the timing or strength of any future recovery of commercial construction activity in our markets.

We also rely, in part, on repair and upgrade of existing landscapes. High unemployment levels, high mortgage delinquency and foreclosure rates, lower home prices, limited availability of mortgage and home improvement financing, and significantly lower housing turnover, may restrict consumer spending, particularly on discretionary items such as landscape projects, and adversely affect consumer confidence levels and result in reduced spending on repair and upgrade activities.

*Our business is affected by general business, financial market and economic conditions, which could adversely affect our financial position, results of operations, and cash flows.*

Our business and results of operations are significantly affected by general business, financial market and economic conditions. General business, financial market and economic conditions that could impact the level of activity in the wholesale landscape supply industry include the level of new home sales and construction activity, interest rate fluctuations, inflation, unemployment levels, geopolitics, tax rates, capital spending, bankruptcies, volatility in both the debt and equity capital markets, liquidity of the global financial markets, the availability and cost of credit, investor and consumer confidence, global economic growth, local, state and federal government regulation, and the strength of regional and local economies in which we operate. With respect to the residential construction sector in particular, spending on landscape projects is largely discretionary and lower levels of consumer spending or the decision by home-owners to perform landscape upgrades or maintenance themselves rather than outsource to contractors may adversely affect our business.

***Seasonality affects the demand for our products and services and our results of operations and cash flows.***

The demand for our products and services and our results of operations are affected by the seasonal nature of our irrigation, outdoor lighting, nursery, landscape accessories, fertilizers, turf protection products, grass seed, turf care equipment, and golf course maintenance supplies. Such seasonality causes our results of operations to vary considerably from quarter to quarter. Typically, our Net sales and Net income have been higher in the second and third quarters of each fiscal year due to favorable weather and longer daylight conditions during these quarters. Our Net sales and Net income, however, are typically significantly lower in the first and fourth quarters due to lower landscaping, irrigation, and turf maintenance activities in these quarters. Accordingly, results for any quarter are not necessarily indicative of the results that may be achieved for the full fiscal year.

***Our operations are substantially dependent on weather conditions.***

We supply landscape, irrigation, and turf maintenance products, the demand for each of which is affected by weather conditions, including, without limitation, potential impacts, if any, from climate change. In particular, droughts could cause shortages in the water supply, which may have an adverse effect on our business. For instance, our supply of plants could decrease, or prices could rise, due to such water shortages, and customer demand for certain types of plants may change in ways in which we are unable to predict. Such water shortages may also make irrigation or the maintenance of turf uneconomical. Governments may implement limitations on water usage that make effective irrigation or turf maintenance unsustainable, which could negatively impact the demand for our products. For instance, over the course of the last decade, California has enacted laws aimed at reducing state-wide water consumption in response to the state's most recent drought, which lasted seven years and officially ended in March 2019. We have also seen an increased demand in California for products related to drought-tolerant landscaping, including hardscapes and plants that require low amounts of water. There is a risk that demand for landscaping products will decrease overall due to persistent or severe drought conditions in some of the geographic markets we serve, or that demand will change in ways that we are unable to predict.

Furthermore, adverse weather conditions, such as droughts, severe storms, wildfires, hurricanes and significant rain or snowfall, can adversely impact the demand for our products, timing of product delivery, or our ability to deliver products at all. For example, increased rain during the second quarter of 2019 negatively impacted demand for our products and inhibited our organic sales growth. In addition, severe winter storms can cause hazardous road conditions, which may prevent personnel from traveling or delivering to service locations. Other types of unexpected severe weather conditions, such as excessive heat or cold, may result in certain applications in the maintenance product cycle being omitted for a season or damage to or loss of nursery goods, sod, and other green products in our inventory, which could result in losses requiring write-downs.

***Public perceptions that the products we use and the services we deliver are not environmentally friendly or safe may result in significant costs and adversely impact the demand for our products or services.***

We sell, among other things, fertilizers, herbicides, fungicides, pesticides, rodenticides, and other chemicals. Public perception that the products we use and the services we deliver are not environmentally friendly or safe or are harmful to humans or animals, whether justified or not, or the improper application of these chemicals, could reduce demand for our products and services, increase regulation or government restrictions or actions, result in fines or penalties, impair our reputation, involve us in litigation that may result in significant costs, damage our brand names and otherwise have a material adverse impact on our business, financial position, results of operations and cash flows. Customers are also using social media to provide feedback and information about our Company and products and services in a manner that can be quickly and broadly disseminated. To the extent a customer has a negative experience and shares it over social media, it may adversely impact our brand and reputation.

***Our industry and the markets in which we operate are highly competitive and fragmented, and increased competitive pressures could reduce our share of the markets we serve and adversely affect our business, financial position, results of operations, and cash flows.***

We operate in markets with relatively few large competitors, but barriers to entry in the landscape supply industry are generally low, and we may have several competitors within a local market area. Competition varies depending on product line, type of customer, and geographic area. Some local competitors may be able to offer higher levels of service, lower prices or a broader selection of inventory than we can in particular local markets. As a result, we may not be able to continue to compete effectively with our competitors. Any of our competitors may foresee the course of market development more accurately than we do, provide superior service, sell or distribute superior products, have the ability to supply or deliver similar products and services at a lower cost, or on more favorable credit terms, develop stronger relationships with our customers and other consumers in the landscape supply industry, adapt more quickly to evolving customer requirements than we do, develop a superior network of distribution centers in our markets or access financing on more favorable terms than we can obtain. As a result, we may not be able to compete successfully with our competitors.



In addition, we may face increased competition from new market entrants or companies in adjacent industries expanding into the landscape supply industry. Such competition may result in the diminution of our market share or the loss of one or more of our major customers, either of which would adversely affect our business, financial position, results of operations, and cash flows. Further, existing and future competitors, and private equity firms, increasingly compete with us for acquisitions, which can increase prices and reduce the number of suitable opportunities available to us; the acquisitions they make may also adversely impact our market position.

Competition can also reduce demand for our products and services, negatively affect our product sales and services or cause us to lower prices. Consolidation of professional landscape service firms may result in increased competition for their business. Certain product manufacturers that sell and distribute their products directly to landscapers may increase the volume of such direct sales. Our suppliers may also elect to enter into exclusive supplier arrangements with other distributors.

Former associates may start landscape supply businesses similar to ours, in competition with us. Our industry faces low barriers to entry, making the possibility of former associates starting similar businesses more likely. Increased competition from businesses started by former associates may reduce our market share and adversely affect our business, financial position, results of operations, and cash flows.

Our customers consider the performance of the products we distribute, our customer service and price when deciding whether to use our services or purchase the products we distribute. Excess industry capacity for certain products in several geographic markets could lead to increased price competition. We may be unable to maintain our operating costs or product prices at a level that is sufficiently low for us to compete effectively. If we are unable to compete effectively with our existing competitors or new competitors enter the markets in which we operate, our financial condition, operating results, and cash flows may be adversely affected.

***Product shortages, loss of key suppliers, failure to develop relationships with qualified suppliers or dependence on third-party suppliers and manufacturers could affect our financial health.***

Our ability to offer a wide variety of products to our customers is dependent upon our ability to obtain adequate product supply from manufacturers and other suppliers. Any disruption in our sources of supply, particularly of the most commonly sold items, could result in a loss of revenues, reduced margins, and damage to our relationships with customers. Supply shortages may occur as a result of unanticipated increases in demand or difficulties in production or delivery. When shortages occur, our suppliers often allocate products among distributors. The loss of, or a substantial decrease in the availability of, products from our suppliers or the loss of key supplier arrangements could adversely impact our financial condition, operating results, and cash flows.

Our ability to continue to identify and develop relationships with qualified suppliers who can satisfy our high standards for quality and our need to be supplied with products in a timely and efficient manner is a significant challenge. Our suppliers' ability to provide us with products can also be adversely affected in the event they become financially unstable, fail to comply with applicable laws, encounter supply disruptions, shipping interruptions, trade restrictions, tariffs or increased costs, or face other factors beyond our control.

Our agreements with suppliers are generally terminable by either party on limited notice, and in some cases we do not have written agreements with our suppliers. If market conditions change or worsen, suppliers may stop offering us favorable terms, including volume-based incentive terms. Our suppliers may increase prices or reduce discounts on the products we distribute and we may be unable to pass on any cost increase to our customers, thereby resulting in reduced margins and profits. Failure by our suppliers to continue to supply us with products on favorable terms, commercially reasonable terms, or at all, could put pressure on our operating margins or have a material adverse effect on our financial condition, results of operations, and cash flows.

***The prices and costs of the products we purchase may be subject to large and significant price fluctuations. We might not be able to pass cost increases through to our customers, and we may experience losses in a rising price environment. In addition, we might have to lower our prices in a declining price environment, which could also lead to losses.***

We purchase and sell a wide variety of products, the price and availability of which may fluctuate, and may be subject to large and significant price increases. For example, many of our contracts with suppliers include prices for commodities such as grass seed and chemicals used in fertilizer that are not fixed or tied to an index, which allows our suppliers to change the prices of their products as the input prices fluctuate. Our business is exposed to these fluctuations, as well as to fluctuations in our costs for transportation and distribution. Recently, governments of the United States and China reached a trade deal, which includes tariffs on certain Chinese goods. As a result, we may be forced to continue paying above market prices for certain products that we purchase. Changes in prices for the products that we purchase affect our Net sales and Cost of goods sold, as well as our working capital requirements, levels of debt and financing costs. We might not always be able to reflect increases in our costs in our own pricing. Any inability to pass cost increases on to customers may adversely affect our business, financial condition, and results of operations. In addition, if market prices for the products that we sell decline, we may realize reduced profitability levels from selling such products and lower revenues from sales of existing inventory of such products.

***We are subject to inventory management risks; insufficient inventory may result in lost sales opportunities or delayed revenue, while excess inventory may harm our gross margins.***

We balance the need to maintain inventory levels that are sufficient to ensure competitive lead times against the risk of inventory obsolescence because of changing customer requirements, fluctuating commodity prices, or the life-cycle of nursery goods, sod and other green products. In order to successfully manage our inventories, including grass seed, chemicals used in fertilizers, and nursery goods, sod and other green products, we must estimate demand from our customers and purchase products that substantially correspond to that demand. If we overestimate demand and purchase too much of a particular product, we face a risk that the price of that product will fall, leaving us with inventory that we cannot sell profitably. In addition, we may have to write down such inventory if we are unable to sell it for its recorded value. Contracts with certain suppliers require us to take on additional inventory or pay a penalty, even in circumstances where we have excess inventory. By contrast, if we underestimate demand and purchase insufficient quantities of a product and the price of that product were to rise, we could be forced to purchase that product at a higher price and forego profitability in order to meet customer demand. Insufficient inventory levels may lead to shortages that result in delayed revenue or loss of sales opportunities altogether as potential end-customers turn to competitors' products that are readily available. Our business, financial condition and results of operations could suffer a material adverse effect if either or both of these situations occur frequently or in large volumes.

Many factors, such as weather conditions, agricultural limitations and restrictions relating to the management of pests and disease, affect the supply of nursery goods, grass seed, sod, and other green products. If the supply of these products available is limited, prices could rise, which could cause customer demand to be reduced and our revenues and gross margins to decline. For example, nursery goods, sod, and grass seed are perishable and have a limited shelf life. Should we be unable to sell our inventory of nursery goods, grass seed, sod, and other green products within a certain time frame, we may face losses requiring write-downs. In contrast, we may not be able to obtain high-quality nursery goods and other green products in an amount sufficient to meet customer demand. Even if available, nursery goods from alternate sources may be of lesser quality or may be more expensive than those currently grown or purchased by us. If we are unable to effectively manage our inventory and that of our distribution partners, our business, financial condition, and results of operations could be adversely affected.

***We may not successfully implement our business strategies, including achieving our growth objectives.***

We may not be able to fully implement our business strategies or realize, in whole or in part within the expected time frames, the anticipated benefits of our various growth or other initiatives. Our various business strategies and initiatives, including our growth, operational and management initiatives, are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. The execution of our business strategy and our financial performance will continue to depend in significant part on our executive management team and other key management personnel, and our executive management team's ability to execute the operational initiatives that they are undertaking. In addition, we may incur certain costs as we pursue our growth, operational and management initiatives, and we may not meet anticipated implementation timetables or stay within budgeted costs. As these initiatives are undertaken, we may not fully achieve our expected efficiency improvements or growth rates, or these initiatives could adversely impact our customer retention, supplier relationships or operations. Also, our business strategies may change from time to time in light of our ability to implement our business initiatives, competitive pressures, economic uncertainties or developments, or other factors.

***We may be unable to successfully acquire and integrate other businesses.***

Our historical growth has been driven in part by acquisitions, and future acquisitions are an important element of our business strategy. We may be unable to continue to grow our business through acquisitions. We may not be able to continue to identify suitable acquisition targets and may face increased competition for these acquisition targets by both existing competitors as well as new market entrants. In addition, acquired businesses may not perform in accordance with expectations, and our business judgments concerning the value, strengths and weaknesses of acquired businesses may not prove to be correct. We may also be unable to achieve expected improvements or achievements in businesses that we acquire. At any given time, we may be evaluating or in discussions with one or more acquisition targets, including entering into non-binding letters of intent. Future acquisitions may result in the incurrence of debt and contingent liabilities, legal liabilities, goodwill impairments, increased interest expense and amortization expense and significant integration costs.

Acquisitions involve a number of special risks, including:

- our inability to manage acquired businesses or control integration costs and other costs relating to acquisitions;
- potential adverse short-term effects on operating results from increased costs or otherwise;
- diversion of management's attention;
- failure to retain existing customers or key personnel of the acquired business and recruit qualified new associates at the location;
- failure to successfully implement infrastructure, logistics and systems integration which could, among other things, increase the risk of a cybersecurity incident;

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- potential impairment of goodwill;
- our inability to obtain financing necessary to complete acquisitions on attractive terms or at all;
- risks associated with the internal controls of acquired companies;
- exposure to legal claims for activities of the acquired business prior to acquisition and inability to realize on any indemnification claims, including with respect to environmental and immigration claims; and
- the risks inherent in the systems of the acquired business and risks associated with unanticipated events or liabilities.

Our strategy could be impeded if we do not identify, or face increased competition for, suitable acquisition targets, and such increased competition could result in higher purchase price multiples we have to pay for acquisition targets or reduce the number of suitable targets. Our business, financial condition, results of operations, and cash flows could be adversely affected if any of the foregoing factors were to occur.

### ***Increases in operating costs could adversely impact our business, financial position, results of operations, and cash flows.***

Our financial performance is affected by the level of our operating expenses, such as occupancy costs associated with the leases for our branch locations and costs of fuel, vehicle maintenance, equipment, parts, wages and salaries, employee benefits, health care, self-insurance costs and other insurance premiums as well as various regulatory compliance costs, all of which may be subject to inflationary pressures. In particular, our financial performance is adversely affected by increases in these operating costs.

Most of our facilities are located in leased premises. Many of our current leases are non-cancelable and typically have terms ranging from three to five years, with options to renew for specified periods of time. We believe that leases we enter into in the future will likely be long-term and non-cancelable and have similar renewal options. However, we may be unable to renew our current or future leases on favorable terms or at all, which could have an adverse effect on our operations and costs. In addition, if we close a location, we generally remain committed to perform our obligations under the applicable lease, which include, among other things, payment of the base rent for the balance of the lease term.

We deliver a substantial volume of products to our customers by truck. Petroleum prices have continued to fluctuate significantly in recent years. Prices and availability of petroleum products are subject to political, economic, and market factors that are outside our control. Political and military events in petroleum-producing regions, including the Middle East, as well as hurricanes and other weather-related events may cause the price of fuel to increase. Our operating profit will be adversely affected if we are unable to obtain the fuel we require or to fully offset the anticipated impact of higher fuel prices through increased prices or fuel surcharges to our customers. Besides passing fuel costs on to customers, we have not entered into any hedging arrangements that protect against fuel price increases and we do not have any long-term fuel purchase contracts. If shortages occur in the supply of necessary petroleum products and we are not able to pass along the full impact of increased petroleum prices to our customers, our results of operations would be adversely affected.

We cannot predict the extent to which we may experience future increases in costs of occupancy, fuel, vehicle maintenance, equipment, parts, wages and salaries, employee benefits, health care, self-insurance costs and other insurance premiums as well as various regulatory compliance costs and other operating costs. To the extent such costs increase, we may be prevented, in whole or in part, from passing these cost increases through to our existing and prospective customers, and the rates we pay to our suppliers may increase, any of which could have a material adverse impact on our business, financial position, results of operations, and cash flows.

### ***Risks associated with our labor force and our customer's labor force could have a significant adverse effect on our business.***

We have an employee base of approximately 4,600 associates. Various federal and state labor laws govern our relationships with our associates and affect our operating costs. These laws include employee classifications as exempt or non-exempt, minimum wage requirements, unemployment tax rates, workers' compensation rates, overtime, family leave, anti-discrimination laws, safety standards, payroll taxes, citizenship requirements and other wage and benefit requirements for employees classified as non-exempt. As our associates may be paid at rates that relate to the applicable minimum wage, further increases in the minimum wage could increase our labor costs. Associates may make claims against us under federal or state laws, which could result in significant costs. Significant additional government regulations, including the Employee Free Choice Act, the Paycheck Fairness Act, and the Arbitration Fairness Act, could materially affect our business, financial condition and results of operations. In addition, we compete with other companies for many of our associates in hourly positions, and we invest significant resources to train and motivate our associates to maintain a high level of job satisfaction. Our hourly employment positions have historically had high turnover rates, which can lead to increased spending on training and retention and, as a result, increased labor costs. If we are unable to effectively retain highly qualified associates in the future, it could adversely impact our business, financial position, results of operations, and cash flows.

None of our associates are currently covered by collective bargaining or other similar labor agreements. However, if a larger number of our associates were to unionize, including in the wake of any future legislation that makes it easier for associates to unionize, our business could be negatively affected. Any inability by us to negotiate collective bargaining arrangements could cause strikes or other work stoppages, and new contracts could result in increased operating costs. If any such strikes or other work stoppages occur, or if other associates become represented by a union, we could experience a disruption of our operations and higher labor costs.

In addition, certain of our suppliers have unionized work forces and certain of our products are transported by unionized truckers. Strikes, work stoppages or slowdowns could result in slowdowns or closures of facilities where the products that we sell are manufactured or could affect the ability of our suppliers to deliver such products to us. Any interruption in the production or delivery of these products could delay or reduce availability of these products and increase our costs.

Further, a large portion of our customers are in the landscape services industry, which is labor intensive. Demand for our products may be impacted by our customers' ability to attract, train and retain workers. Increases in our customers' personnel costs or the inability of our customers to hire sufficient personnel, which may be amplified in periods of low unemployment rates and tight labor market conditions, could adversely impact our business, financial position, results of operations, and cash flows.

***We depend on a limited number of key personnel. We may not be able to attract or retain key executives, which could adversely impact our business and inhibit our ability to operate and grow successfully.***

We depend upon the ability and experience of a number of our executive management and other key personnel who have substantial experience with our operations and within our industry, including Doug Black, our Chief Executive Officer. The loss of the services of one or a combination of our senior executives or key employees could have a material adverse effect on our results of operations. Our business may also be negatively impacted if one of our senior executives or key employees is hired by a competitor. Our success also depends on our ability to continue to attract, manage and retain other qualified management personnel as we grow. We may not be able to continue to attract or retain such personnel in the future.

***The nature of our business exposes us to construction defect and product liability claims as well as other legal proceedings.***

We rely on manufacturers and other suppliers to provide us with the products we sell and distribute. As we do not have direct control over the quality of the products manufactured or supplied by such third-party suppliers, we are exposed to risks relating to the quality of the products we distribute. It is possible that inventory from a manufacturer or supplier could be sold to our customers and later be alleged to have quality problems or to have caused personal injury, subjecting us to potential claims from customers or third parties. We are subject to such claims from time to time.

We operate a large fleet of trucks and other vehicles. From time to time, the drivers of these vehicles are involved in accidents which could result in material personal injuries and property damage claims and in which goods carried by these drivers may be lost or damaged.

We cannot make assurances that we will be able to obtain insurance coverage to address a portion of these types of liabilities on acceptable terms in the future, if at all, or that any such insurance will provide adequate coverage against potential claims. Further, while we seek indemnification against potential liability for products liability claims from relevant parties, including but not limited to manufacturers and suppliers, we do not have written indemnification agreements from all of our suppliers and we may be unable to recover under such indemnification agreements that exist. An unsuccessful product liability defense could be highly costly and accordingly result in a decline in revenues and profitability. Finally, even if we are successful in defending any claim relating to the products we distribute, claims of this nature could negatively impact customer confidence in our products and our company.

From time to time, we may be involved in government inquiries and investigations, as well as tort proceedings, including toxic tort and product liability actions, and employment and other litigation. We cannot predict with certainty the outcomes of these legal proceedings and other contingencies, including environmental investigation, remediation and other proceedings commenced by government authorities. The outcome of some of these legal proceedings and other contingencies could require us to take, or refrain from taking, actions which could adversely affect our operations or could require us to pay substantial amounts of money. Additionally, defending against lawsuits and proceedings may involve significant expense and diversion of management's attention and resources from other matters regardless of the ultimate outcome.

***An impairment of goodwill and/or other intangible assets could reduce Net income.***

Acquisitions frequently result in the recording of goodwill and other intangible assets. As of December 29, 2019, goodwill represented approximately 13% of our total assets. Goodwill is currently not amortized for financial reporting purposes and is subject to impairment testing at least annually using a fair-value based approach. The identification and measurement of goodwill impairment involves the estimation of the fair value of our reporting units. Our accounting for impairment contains uncertainty because management must use its judgment in determining appropriate assumptions to be used in the measurement of fair value. We determine the fair values of our reporting units by using both a market and income approach.

We evaluate the recoverability of goodwill for impairment in between our annual tests when events or changes in circumstances including a sustained decline in our market capitalization, indicate that the carrying amount of goodwill may not be recoverable. Any impairment of goodwill will reduce Net income in the period in which the impairment is recognized.

***Adverse credit and financial market events and conditions could, among other things, impede access to, or increase the cost of, financing or cause our customers to incur liquidity issues that could lead to some of our products not being purchased or orders being canceled, or result in reduced operating revenue and Net income, any of which could have an adverse impact on our business, financial position, results of operations, and cash flows.***

Disruptions in credit or financial markets could, among other things, lead to impairment charges, make it more difficult for us to obtain, or increase our cost of obtaining, financing for our operations or investments or to refinance our indebtedness, cause our lenders to depart from prior credit industry practice and not give technical or other waivers under the Credit Facilities (as defined under “—Risks Related to Our Substantial Indebtedness” below), to the extent we may seek them in the future, thereby causing us to be in default under one or more of the Credit Facilities. These disruptions could also cause our customers to encounter liquidity issues that could lead to a reduction in the amount of our products purchased or services used, could result in an increase in the time it takes our customers to pay us, or could lead to a decrease in pricing for our products, any of which could adversely affect our accounts receivable, among other things, and, in turn, increase our working capital needs. In addition, adverse developments at federal, state and local levels associated with budget deficits resulting from economic conditions could result in federal, state and local governments increasing taxes or other fees on businesses, including us, to generate more tax revenues, which could negatively impact spending by customers on our products.

***The majority of our Net sales are derived from credit sales, which are made primarily to customers whose ability to pay is dependent, in part, upon the economic strength of the geographic areas in which they operate, and the failure to collect monies owed from customers could adversely affect our working capital and financial condition.***

The majority of our Net sales in our 2019 Fiscal Year were derived from the extension of credit to our customers whose ability to pay is dependent, in part, upon the economic strength of the areas where they operate. We offer credit to customers, generally on a short-term basis, either through unsecured credit that is based solely upon the creditworthiness of the customer, or secured credit for materials sold for a specific project where we establish a security interest in the material used in the project. The type of credit we offer depends on the customer's financial strength. If any of our customers are unable to repay credit that we have extended in a timely manner, or at all, our working capital, financial condition, operating results, and cash flows would be adversely affected. Further, our collections efforts with respect to non-paying or slow-paying customers could negatively impact our customer relations going forward.

Because we depend on certain of our customers to repay extensions of credit, if the financial condition of our customers declines, our credit risk could increase as a result. Significant contraction in the residential and non-residential construction markets, coupled with limited credit availability and stricter financial institution underwriting standards, could adversely affect the operations and financial stability of certain of our customers. Should one or more of our larger customers declare bankruptcy, it could adversely affect the collectability of our accounts receivable, bad debt reserves, and Net income.

***Because we operate our business through highly dispersed locations across the United States, our operations may be materially adversely affected by inconsistent practices and the operating results of individual branches may vary.***

We operate our business through a network of highly dispersed locations throughout the United States, supported by executives and services from our headquarters, with local branch management retaining responsibility for day-to-day operations and adherence to applicable local laws. Our operating structure could make it difficult for us to coordinate procedures across our operations in a timely manner or at all. We may have difficulty attracting and retaining local personnel. In addition, our branches may require significant oversight and coordination from headquarters to support their growth. Inconsistent implementation of corporate strategy and policies at the local level could materially and adversely affect our overall profitability, prospects, business, results of operations, financial condition, and cash flows. In addition, the operating results of an individual branch may differ from that of another branch for a variety of reasons, including market size, management practices, competitive landscape, regulatory requirements, and local economic conditions. As a result, certain of our branches may experience higher or lower levels of growth and profitability than other branches.

***Compliance with, or liabilities under, environmental, health and safety laws and regulations, including laws and regulations pertaining to the use and application of fertilizers, herbicides, insecticides and fungicides, could result in significant costs that adversely impact our reputation, business, financial position, results of operations, and cash flows.***

We are subject to federal, state, provincial and local environmental, health and safety laws and regulations, including laws that regulate the emission or discharge of materials into the environment, govern the use, packaging, labeling, transportation, handling, treatment, storage, disposal and management of chemicals and hazardous substances and waste, and protect the health and safety of our associates and users of our products. Such laws also impose liability for investigating and remediating, and damages resulting from, present and past releases of hazardous substances, including releases at sites we have ever owned, leased or operated or used as a disposal site. We could be subject to fines, penalties, civil or criminal sanctions, personal injury, property damage or other third-party claims as a result of violations of, or liabilities under, these laws and regulations. We could also incur significant investigation and cleanup costs for contamination at any currently or formerly owned or operated facilities, including LESCO's manufacturing and blending facilities. In addition, changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination, or the imposition of other environmental liabilities or obligations in the future, including obligations with respect to any potential health hazards of our products, may lead to additional compliance or other costs that could have a material adverse effect on our business, financial position, results of operations, and cash flows.

In addition, in the United States, products containing herbicides and pesticides generally must be registered with the U.S. Environmental Protection Agency ("EPA") and similar state agencies before they can be sold or distributed. The failure to obtain or the cancellation of any such registration, or the withdrawal from the marketplace of such products, could have an adverse effect on our business, the severity of which would depend in part on the products involved, whether other products could be substituted and whether our competitors were similarly affected. The herbicides and pesticides we use are manufactured by independent third parties and are evaluated by the EPA as part of its ongoing exposure risk assessment. The EPA may decide that a herbicide or pesticide we use will be limited or will not be re-registered for use in the United States. We cannot predict the outcome or the severity of the effect of the EPA's continuing evaluations.

In addition, the use of certain herbicide and pesticide products is regulated by various federal, state, provincial and local environmental and public health agencies. We may be unable to prevent violations of these or other regulations from occurring. Even if we are able to comply with all such regulations and obtain all necessary registrations and licenses, the herbicides and pesticides or other products we supply could be alleged to cause injury to the environment, to people or to animals, or such products could be banned in certain circumstances. We are subject to such allegations from time to time. The regulations may also apply to customers who may fail to comply with environmental, health and safety laws and subject us to liabilities. Costs to comply with environmental, health and safety laws, or to address liabilities or obligations thereunder, could have a material adverse impact on our reputation, business, financial position, results of operations, and cash flows.

***Our business exposes us to risks associated with hazardous materials and related activities, not all of which are covered by insurance.***

Because our business includes the managing, handling, storing, selling and transporting and disposing of certain hazardous materials, such as fertilizers, herbicides, pesticides, fungicides and rodenticides, we are exposed to environmental, health, safety and other risks. We carry insurance to protect us against many accident-related risks involved in the conduct of our business and we maintain insurance coverage in accordance with our assessment of the risks involved, the ability to bear those risks and the cost and availability of insurance. Each of these insurance policies is subject to exclusions, deductibles and coverage limits. We do not insure against all risks and may not be able to insure adequately against certain risks and may not have insurance coverage that will pay any particular claim. We also may be unable to obtain adequate insurance coverage at commercially reasonable rates in the future for the risks we currently insure against, and certain risks are or could become completely uninsurable or eligible for coverage only to a reduced extent. Our business, financial condition, and results of operations could be materially impaired by environmental, health, safety and other risks that reduce our revenues, increase our costs or subject us to other liabilities in excess of available insurance.

***Laws and government regulations applicable to our business could increase our legal and regulatory expenses, and impact our business, financial position, results of operations, and cash flows.***

Our business is subject to significant federal, state, provincial and local laws and regulations. These laws and regulations include laws relating to consumer protection, wage and hour requirements, the employment of immigrants, labor relations, permitting and licensing, building code requirements, workers' safety, the environment, employee benefits, marketing and advertising and the application and use of herbicides, pesticides and other chemicals. In particular, we anticipate that various federal, state, provincial and local governing bodies may propose additional legislation and regulation that may be detrimental to our business, may decrease demand for the products we supply or may substantially increase our operating costs, including proposed legislation, such as environmental regulations related to chemical or nutrient use, water use, climate change, equipment efficiency standards and other environmental matters; other consumer protection laws or regulations; or health care coverage. It is difficult to predict the future impact of the broad and expanding legislative

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and regulatory requirements affecting our businesses and changes to such requirements may adversely affect our business, financial position, results of operations, and cash flows. In addition, if we were to fail to comply with any applicable law or regulation, we could be subject to substantial fines or damages, be involved in litigation, suffer losses to our reputation or suffer the loss of licenses or incur penalties that may affect how our business is operated, which, in turn, could have a material adverse impact on our business, financial position, results of operations, and cash flows.

***We rely on our computer and data processing systems, and a large-scale malfunction or failure in our information technology systems could disrupt our business, create potential liabilities for us or limit our ability to effectively monitor, operate and control our operations and adversely impact our reputation, business, financial position, results of operations, and cash flows.***

Our ability to keep our business operating effectively depends on the functional and efficient operation of our enterprise resource planning, telecommunications, inventory tracking, billing and other information systems. We rely on these systems and the systems of certain third-party vendors to track transactions, billings, payments and inventory, as well as to make a variety of day-to-day business decisions. We may experience system malfunctions, interruptions or security breaches from time to time. Some of our systems run older generations of software that may be unable to perform as efficiently as, and fail to communicate well with, newer systems. As we implement or develop new systems in the future, we may elect to modify, replace or discontinue certain technology initiatives. Changes or modifications to our information technology systems could cause disruptions to our operations or cause challenges with respect to our compliance with laws, regulations or other applicable standards.

A significant or large-scale malfunction or interruption of our systems or the systems of third-party vendors could adversely affect our ability to manage and keep our operations running efficiently and damage our reputation. A malfunction that results in a wider or sustained disruption to our business could have a material adverse effect on our business, financial condition and results of operations, as well as on the ability of management to align and optimize technology to implement business strategies. If our disaster recovery plans do not work as anticipated, or if any third-party vendors to which we have outsourced certain information technology or other services fail to fulfill their obligations to us, our operations may be adversely impacted and any of these circumstances could adversely impact our reputation, business, financial position, results of operations, and cash flows.

***In the event of a cybersecurity incident, we could experience operational interruptions, incur substantial additional costs, become subject to legal or regulatory proceedings or suffer damage to our reputation.***

In addition to the disruptions that may occur from interruptions in our information technology systems, cybersecurity threats and sophisticated and targeted cyberattacks pose a risk to our information technology systems. We have established security policies, processes and defenses designed to help identify and protect against intentional and unintentional misappropriation or corruption of our information technology systems and information and disruption of our operations. Despite these efforts, our information technology systems may be damaged, disrupted or shut down due to attacks by unauthorized access, malicious software, computer viruses, undetected intrusion, hardware failures or other events, and in these circumstances our disaster recovery plans may be ineffective or inadequate. These breaches or intrusions could lead to business interruption, exposure of proprietary or confidential information, data corruption, damage to our reputation, exposure to legal and regulatory proceedings and other costs. A security breach might also lead to violations of privacy laws, regulations, trade guidelines or practices related to our customers and associates and could result in potential claims from customers, associates, shareholders or regulatory agencies. Such events could adversely impact on our reputation, business, financial position, results of operations, and cash flows. In addition, we could be adversely affected if any of our significant customers or suppliers experiences any similar events that disrupt their business operations or damage their reputation.

While we maintain monitoring practices and protections of our information technology to reduce these risks and test our systems on an ongoing basis for potential threats, there can be no assurance that these efforts will prevent a cyber-attack or other security breach. In addition, we carry cybersecurity insurance to help mitigate the financial exposure and related notification procedures in the event of intentional intrusion; however, there can be no assurance that our insurance will adequately protect against potential losses that could adversely affect our business.

***If we fail to protect the security of personal information about our customers, we could be subject to interruption of our business operations, private litigation, reputational damage and costly penalties.***

We rely on, among other things, commercially available systems, software, tokenization, tools, and monitoring to provide security for collecting, processing, transmitting and storing confidential customer information, such as payment card and personally identifiable information. The systems we currently use for payment card transactions, and the technology utilized in payment cards themselves, all of which can put payment card data at risk, are central to meeting standards set by the payment card industry, or PCI. We continue to evaluate and modify our systems and protocols for PCI compliance purposes; however, PCI data security standards may change from time to time. Activities by third parties, advances in computer and software capabilities and encryption technology, new tools and discoveries and other events or developments may facilitate or result in a compromise or breach of our systems. Any compromises, breaches or errors in application related to our systems or failures to comply with data security standards set by the PCI could cause

damage to our reputation and interruptions in our operations, including our customers' ability to pay for our products and services by credit card or their willingness to purchase our products and services, and could further result in a violation of applicable laws, regulations, orders, industry standards or agreements and subject us to costs, penalties, litigation and liabilities which could have a material adverse impact on our reputation, business, financial position, results of operations, and cash flows.

***We may not be able to adequately protect our intellectual property and other proprietary rights that are material to our business.***

Our ability to compete effectively depends in part on our rights to service marks, trademarks, trade names and other intellectual property rights we own or license, particularly our registered trademarks SiteOne®, LESCO®, SiteOne Green Tech®, and Pro-Trade®. We have not sought to register or protect every one of our marks or brand names either in the United States or in every country in which they are or may be used. Furthermore, because of the differences in foreign trademark, patent and other intellectual property or proprietary rights laws, we may not receive the same protection in other countries as we would in the United States. If we are unable to protect our proprietary information and brand names, we could suffer a material adverse impact on our reputation, business, financial position, results of operations, and cash flows. Litigation may be necessary to enforce our intellectual property rights and protect our proprietary information, or to defend against claims by third parties that our products, services or activities infringe their intellectual property rights.

***We may be subject to securities litigation, which is expensive and could divert management attention and resources from our business.***

Our share price has experienced significant volatility recently and may continue to be volatile in the future. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management's attention and resources, which could adversely impact our business. Any adverse determination in litigation could also subject us to significant liabilities.

***We may be subject to unanticipated changes in our tax provisions, including further changes to applicable U.S. tax laws.***

We are subject to income and other taxes in U.S. federal and state jurisdictions, as well as Canada. Changes in applicable U.S. or Canadian tax laws and regulations, or their interpretation and application, including the possibility of retroactive effect, could impact our tax expense and profitability. For example, in December 2017, Congress enacted, and the President signed, significant changes to the federal income tax code known as The Tax Cuts and Jobs Act (the "2017 Tax Act"). Although we have completed the accounting for the tax effects of the 2017 Tax Act, it is not possible to predict the effects of potential changes in the tax laws or changes in their interpretation and whether they could have a material adverse impact on our operating results. We have filed our tax returns in prior years based upon certain filing positions we believe are appropriate. If the Internal Revenue Service or state taxing authorities disagree with these filing positions, we may owe additional taxes.

***A terrorist attack or the threat of a terrorist attack could have a material adverse effect on our business.***

Discretionary spending on landscape projects is generally adversely affected during times of economic or political uncertainty. The potential for terrorist attacks, the national and international responses to terrorist attacks, and other acts of war or hostility could create these types of uncertainties and negatively impact our business for the short or long term in ways that cannot presently be predicted.

#### **Risks Related to Our Indebtedness**

***We have substantial indebtedness and may incur substantial additional indebtedness, which could adversely affect our financial health and our ability to obtain financing in the future, react to changes in our business or satisfy our obligations.***

As of December 29, 2019, we had \$534.6 million aggregate principal amount of total long-term consolidated indebtedness outstanding and \$22.9 million of finance leases.

SiteOne Landscape Supply Holding, LLC ("Landscape Holding") and SiteOne Landscape Supply, LLC ("Landscape") are parties to a credit agreement dated December 23, 2013, which has been amended pursuant to the First Amendment dated June 13, 2014, the Second Amendment dated January 26, 2015, the Third Amendment dated February 13, 2015, the Fourth Amendment dated October 20, 2015, the Omnibus Amendment dated May 24, 2017, and the Sixth Amendment dated February 1, 2019 (such agreement, as so amended, the "ABL Credit Agreement"), providing for an asset-based loan facility in the amount of up to \$375.0 million, subject to availability under a borrowing base, with UBS AG, Stamford Branch, as administrative agent and collateral agent, and the other financial institutions and lenders from time to time party thereto (the "ABL Facility").



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Landscape Holding and Landscape are parties to an amended and restated credit agreement dated April 29, 2016, providing for a senior secured term loan facility with UBS AG, Stamford Branch, as administrative agent and collateral agent, and the other financial institutions and lenders from time to time party thereto (which was amended on November 23, 2016, May 24, 2017, December 12, 2017 and August 14, 2018 and as may be further amended, supplemented, waived or otherwise modified from time to time, the “Term Loan Facility” and, together with the ABL Facility, the “Credit Facilities”), which matures on October 29, 2024. On August 14, 2018, the Term Loan Facility was amended to, among other things, (i) add an additional credit facility under the Term Loan Facility consisting of additional term loans (the “Tranche E Term Loans”) in an aggregate principal amount of \$347.4 million and (ii) increase the aggregate principal amount of Tranche E Term Loans under the Term Loan Facility to \$447.4 million.

In addition, we are able to incur additional indebtedness in the future, subject to the limitations contained in the agreements governing our indebtedness. Our substantial indebtedness could have important consequences. Because of our substantial indebtedness:

- our ability to engage in acquisitions without raising additional equity or obtaining additional debt financing is limited;
- our ability to obtain additional financing for working capital, capital expenditures, acquisitions, debt service requirements or general corporate purposes and our ability to satisfy our obligations with respect to our indebtedness may be impaired in the future;
- a large portion of our cash flow from operations must be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes;
- although we enter into interest rate hedging transactions periodically, we are exposed to the risk of increased interest rates because borrowings under the Credit Facilities and certain floating rate operating and finance leases are at variable rates of interest;
- it may be more difficult for us to satisfy our obligations to our creditors, resulting in possible defaults on, and acceleration of, such indebtedness;
- we may be more vulnerable to general adverse economic and industry conditions;
- we may be at a competitive disadvantage compared to our competitors with proportionately less indebtedness or with comparable indebtedness on more favorable terms and, as a result, they may be better positioned to withstand economic downturns;
- our ability to refinance indebtedness may be limited or the associated costs may increase;
- our flexibility to adjust to changing market conditions and ability to withstand competitive pressures could be limited; and
- we may be prevented from carrying out capital spending and restructurings that are necessary or important to our growth strategy and efforts to improve operating margins of our businesses.

***Increases in interest rates would increase the cost of servicing our indebtedness and could reduce our profitability.***

Our indebtedness under the Credit Facilities bears interest at variable rates, and as a result, increases in interest rates would increase the cost of servicing our indebtedness and could materially reduce our profitability and cash flows. As of December 29, 2019 each one percentage point change in interest rates would result in an approximately \$0.9 million change in the annual interest expense on the amount outstanding under the ABL Facility. As of December 29, 2019, each one percentage point change in interest rates would result in an approximately \$0.5 million change in the annual interest expense on the Term Loan Facility. The impact of increases in interest rates could be more significant for us than it would be for some other companies because of our substantial indebtedness.

In addition, in certain circumstances, our variable rate indebtedness uses the London Interbank Offer Rate (“LIBOR”) as a benchmark for establishing the interest rate. The LIBOR has been subject of national, international, and other regulatory guidance and proposals for reform. In July 2017, the U.K. Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit rates for calculation of LIBOR after 2021. These reforms and other pressures may cause LIBOR to disappear entirely or to perform differently than in the past. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of our variable rate indebtedness.

We may use interest rate risk management techniques in an effort to limit our exposure to interest rate fluctuations. Such techniques may include various interest rate hedging activities to the extent permitted by the Investment Company Act of 1940. Additionally, we cannot assure you that financing will be available on acceptable terms, if at all. Deterioration in the credit markets, which could delay our ability to sell certain of our loan investments in a timely manner, could also negatively impact our cash flows.

***A lowering or withdrawal of the ratings, outlook or watch assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital.***

The ratings, outlook or watch assigned to our indebtedness could be lowered or withdrawn entirely by a rating agency if, in that rating agency’s judgment, current or future circumstances relating to the basis of the rating, outlook, or watch such as adverse changes to our business, so warrant. Based on the financial performance of our businesses and the outlook for future years, our credit ratings, outlook or watch could be negatively impacted. Any lowering of our ratings, outlook or watch likely would make it more difficult or more expensive for us to obtain additional debt financing.

***The agreements and instruments governing our indebtedness contain restrictions and limitations that could significantly impact our ability to operate our business.***

Our Credit Facilities contain customary representations and warranties and customary affirmative and negative covenants that restrict some of our activities. The negative covenants limit the ability of Landscape Holding and Landscape to:

- incur additional indebtedness;
- pay dividends, redeem stock or make other distributions;
- repurchase, prepay or redeem subordinated indebtedness;
- make investments;
- create restrictions on the ability of Landscape Holding's restricted subsidiaries to pay dividends or make other intercompany transfers;
- create liens;
- transfer or sell assets;
- make negative pledges;
- consolidate, merge, sell or otherwise dispose of all or substantially all of Landscape Holding's assets;
- enter into certain transactions with affiliates; and
- designate subsidiaries as unrestricted subsidiaries.

In addition, the ABL Facility is subject to various covenants requiring minimum financial ratios, and our additional borrowings may be limited by these financial ratios. Our ability to comply with the covenants and restrictions contained in the Credit Facilities, may be affected by economic, financial, and industry conditions beyond our control including credit or capital market disruptions. The breach of any of these covenants or restrictions could result in a default that would permit the applicable lenders to declare all amounts outstanding thereunder to be due and payable, together with accrued and unpaid interest. If we are unable to repay indebtedness, lenders having secured obligations, such as the lenders under the Credit Facilities, could proceed against the collateral securing the indebtedness. In any such case, we may be unable to borrow under the Credit Facilities and may not be able to repay the amounts due under such facilities. This could have serious consequences to our financial position and results of operations and could cause us to become bankrupt or insolvent.

***Our ability to generate the significant amount of cash needed to pay interest and principal on our indebtedness and our ability to refinance all or a portion of our indebtedness or obtain additional financing depends on many factors beyond our control.***

Our ability to make scheduled payments on, or to refinance our obligations under, our indebtedness depends on the financial and operating performance of our subsidiaries, which, in turn, depends on their results of operations, cash flows, cash requirements, financial position and general business conditions and any legal and regulatory restrictions on the payment of dividends to which they may be subject, many of which may be beyond our control.

We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal and interest on our indebtedness. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek to obtain additional equity capital or restructure our indebtedness. In the future, our cash flow and capital resources may not be sufficient for payments of interest on and principal of our indebtedness, and such alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations.

The final maturity date of the ABL Facility is February 1, 2024. The final maturity date of the Term Loan Facility is October 29, 2024. We may be unable to refinance any of our indebtedness or obtain additional financing, particularly because of our high levels of indebtedness. Market disruptions, such as those experienced in 2008 and 2009, as well as our significant indebtedness levels, may increase our cost of borrowing or adversely affect our ability to refinance our obligations as they become due. If we are unable to refinance our indebtedness or access additional credit, or if short-term or long-term borrowing costs dramatically increase, our ability to finance current operations and meet our short-term and long-term obligations could be adversely affected.

## **Risks Related to Our Common Stock**

***Holdings is a holding company with no operations of its own, and it depends on its subsidiaries for cash to fund all of its operations and expenses, including to make future dividend payments, if any.***

Our operations are conducted entirely through our subsidiaries, and our ability to generate cash to fund operations and expenses, to pay dividends or to meet debt service obligations is highly dependent on the earnings and the receipt of funds from our subsidiaries through dividends or intercompany loans. Deterioration in the financial condition, earnings or cash flow of Landscape and its subsidiaries for any reason could limit or impair their ability to pay such distributions. Additionally, to the extent that Holdings needs funds, and its subsidiaries are restricted from making such distributions under applicable law or regulation or under the terms of our financing arrangements, or are otherwise unable to provide such funds, it could materially adversely affect our business, financial condition, results of operations, and cash flows.

Further, the terms of the agreements governing the Credit Facilities restrict the ability of our subsidiaries to pay dividends, make loans or otherwise transfer assets to Holdings. Furthermore, our subsidiaries are permitted under the terms of the Credit Facilities and other indebtedness to incur additional indebtedness that may restrict or prohibit the making of distributions, the payment of dividends or the making of loans by such subsidiaries to us. In addition, Delaware law may impose requirements that may restrict our ability to pay dividends to holders of our common stock.

We do not currently expect to declare or pay dividends on our common stock for the foreseeable future. Payments of dividends, if any, will be at the sole discretion of our board of directors after taking into account various factors, including general and economic conditions, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications of the payment of dividends by us to our stockholders or by our subsidiaries (including Landscape) to us, and such other factors as our board of directors may deem relevant. In addition, Delaware law may impose requirements that may restrict our ability to pay dividends to holders of our common stock. To the extent that we determine in the future to pay dividends on our common stock, none of our subsidiaries will be obligated to make funds available to us for the payment of dividends.

### ***The market price of our common stock may be volatile.***

The stock market in general and our common stock in particular have recently experienced significant volatility and the market price of our common stock may continue to fluctuate significantly. Among the factors that could affect our stock price are:

- industry or general market conditions;
- domestic and international economic and political factors unrelated to our performance;
- changes in our customers' or their end-users' preferences;
- new regulatory pronouncements and changes in regulatory guidelines;
- lawsuits, enforcement actions and other claims by third parties or governmental authorities;
- actual or anticipated fluctuations in our quarterly operating results;
- changes in securities analysts' estimates of our financial performance;
- action by institutional stockholders or other large stockholders, including future sales;
- failure to meet any guidance given by us or any change in any guidance given by us, or changes by us in our guidance practices;
- announcements by us of significant impairment charges;
- speculation in the press or investment community;
- investor perception of us and our industry;
- changes in market valuations or earnings of similar companies;
- announcements by us or our competitors of significant contracts, acquisitions, dispositions or strategic partnerships;
- war, terrorist acts and epidemic disease;
- any future sales of our common stock or other securities; and
- additions or departures of key personnel.

In particular, we cannot assure that you will be able to resell your shares at or above your purchase price. The stock markets have experienced extreme volatility in recent years that has been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock. In the past, following periods of volatility in the market price of a company's securities, class action litigation has often been instituted against the affected company. Any litigation of this type brought against us could result in substantial costs and a diversion of our management's attention and resources, which would harm our business, results of operations, financial condition, and cash flows.

***Future sales of shares by us could cause our stock price to decline.***

Sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur, could cause the market price of our common stock to decline. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

In the future, we may issue additional shares of common stock or other equity or debt securities convertible into common stock in connection with a financing, acquisition, litigation settlement or associate arrangement or otherwise. Any of these issuances could result in dilution to our existing stockholders and could cause the trading price of our common stock to decline.

***Future offerings of debt or equity securities may adversely affect the market price of our common stock.***

If, in the future, we decide to issue debt or equity securities that rank senior to our common stock, it is likely that such securities will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock and may result in dilution to owners of our common stock. We and, indirectly, our stockholders, will bear the cost of issuing and servicing such securities. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our common stock will bear the risk of our future offerings reducing the market price of our common stock and diluting the value of their stock holdings in us.

***Anti-takeover provisions in our second amended and restated certificate of incorporation and second amended and restated by-laws could discourage, delay or prevent a change of control of our company and may affect the trading price of our common stock.***

Our second amended and restated certificate of incorporation, or amended and restated certificate of corporation, and second amended and restated by-laws, or amended and restated by-laws, include a number of provisions that may discourage, delay or prevent a change in our management or control over us that stockholders may consider favorable. For example, our amended and restated certificate of incorporation and amended and restated by-laws collectively:

- authorize the issuance of “blank check” preferred stock that could be issued by our board of directors to thwart a takeover attempt;
- provide for a classified board of directors, which divides our board of directors into three classes, with members of each class serving staggered three-year terms, which prevents stockholders from electing an entirely new board of directors at an annual meeting;
- limit the ability of stockholders to remove directors;
- provide that vacancies on our board of directors, including vacancies resulting from an enlargement of our board of directors, may be filled only by a majority vote of directors then in office;
- prohibit stockholders from calling special meetings of stockholders;
- prohibit stockholder action by written consent, thereby requiring all actions to be taken at a meeting of the stockholders; and
- establish advance notice requirements for nominations of candidates for election as directors or to bring other business before an annual meeting of our stockholders.

These provisions may prevent our stockholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if the provisions are viewed as discouraging takeover attempts in the future.

Our amended and restated certificate of incorporation and amended and restated by-laws may also make it difficult for stockholders to replace or remove our management. Furthermore, the existence of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. These provisions may facilitate management entrenchment that may delay, deter, render more difficult or prevent a change in our control, which may not be in the best interests of our stockholders.

***We do not intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.***

We do not intend to declare and pay dividends on our common stock for the foreseeable future. We currently intend to invest our future earnings, if any, to service our debt, to fund our growth, to develop our business, for working capital needs and for general corporate purposes. Therefore, you are not likely to receive any dividends on your common stock for the foreseeable future and the success of an investment in shares of our common stock will depend upon any future appreciation in their value. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which our stockholders have purchased their shares.

In addition, Holdings' operations are conducted entirely through our subsidiaries. As such, to the extent that we determine in the future to pay dividends on our common stock, none of our subsidiaries will be obligated to make funds available to Holdings for the payment of dividends. Further, the agreements governing the Credit Facilities significantly restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us.

***Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.***

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed to us or our stockholders by any of our directors, officers, other employees, agents or stockholders, (iii) any action asserting a claim arising out of or under the General Corporation Law of the State of Delaware (the "DGCL"), or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware (including, without limitation, any action asserting a claim arising out of or pursuant to our amended and restated certificate of incorporation or our amended and restated by-laws) or (iv) any action asserting a claim that is governed by the internal affairs doctrine. By becoming a stockholder in our company, you will be deemed to have notice of and have consented to the provisions of our amended and restated certificate of incorporation related to choice of forum. The choice of forum provision in our amended and restated certificate of incorporation may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or any of our directors, officers, other employees, agents or stockholders, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition.

**Item 1B. Unresolved Staff Comments**

Not applicable.

**Item 2. Properties**

Our corporate headquarters is located on leased premises at 300 Colonial Center Parkway, Suite 600, Roswell, Georgia 30076. Our corporate headquarters is approximately 55,000 square feet and the lease will expire in April 2026.

We and our operating companies own and lease a variety of facilities in 45 states and six provinces for branch operations, offices, and storage. We primarily lease 5,000 to 15,000 square foot facilities in both freestanding and multi-tenant buildings, with secured outside storage yards averaging from 10,000 to 20,000 square feet in some branches. We also lease three facilities that are operated as our South, West, and North Distribution Centers. The South Distribution Center located in Fairburn, Georgia, is approximately 192,000 square feet, and commenced operations in the first quarter of 2017. The West Distribution Center located in Colton, California, is approximately 179,000 square feet, and commenced operations in the first quarter of 2018. The North Distribution Center located in Carlisle, Pennsylvania, is approximately 201,000 square feet, and commenced operations in the first quarter of 2018. The significant majority of our facilities are subject to operating leases, and we own 15 properties. As of December 29, 2019, we operated 555 branches in the following locations:

<b>State /Province</b>	<b>Number of Locations</b>	<b>State /Province</b>	<b>Number of Locations</b>
California	73	Oklahoma	5
Florida	60	Wisconsin	5
Texas	37	Oregon	4
North Carolina	36	Nevada	4
Massachusetts	30	Kentucky	3
New York	20	Nebraska	3
Michigan	20	New Hampshire	3
South Carolina	18	Utah	3
New Jersey	17	Hawaii	2
Georgia	17	Delaware	2
Virginia	16	Iowa	2
Illinois	16	Louisiana	2
Missouri	15	Arkansas	1
Connecticut	15	Maine	1
Ohio	13	Mississippi	1
Colorado	12	New Mexico	1
Pennsylvania	11	North Dakota	1
Tennessee	11	Rhode Island	1
Washington	10	South Dakota	1
Indiana	10	Ontario	6
Maryland	10	British Columbia	4
Alabama	6	Alberta	2
Minnesota	6	Manitoba	1
Arizona	6	Québec	1
Idaho	5	Saskatchewan	1
Kansas	5		

**Item 3. Legal Proceedings**

We are not currently involved in any material litigation or arbitration. We anticipate that we will be subject to litigation and arbitration from time to time in the ordinary course of business. At this time, we do not expect any of these proceedings to have a material effect on our reputation, business, financial position, results of operations, and cash flows. However, we can give no assurance that the results of any such proceedings will not materially affect our reputation, business, financial position, results of operations, and cash flows.

**Item 4. Mine Safety Disclosures**

Not applicable.

## **PART II**

### **Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

#### ***Market Information***

Shares of our common stock trade on the NYSE under the symbol "SITE".

#### ***Holders***

As of February 21, 2020, there was one registered holder of our common stock. The number of record holders does not include individuals or entities who beneficially own shares, but whose shares are held of record by a broker, bank, or other nominee, but does include each such broker, bank, or other nominee as one record holder.

#### ***Dividends***

We do not expect to declare or pay dividends on our common stock for the foreseeable future. Instead, we intend to retain future earnings, if any, to service our debt, finance the growth and development of our business, and for working capital and general corporate purposes. Our ability to pay dividends to holders of our common stock in the future will be limited as a practical matter by the Credit Facilities, insofar as we may seek to pay dividends out of funds made available to us by Landscape or its subsidiaries, because Landscape's debt instruments directly or indirectly restrict Landscape's ability to pay dividends or make loans to us. Any future determination to pay dividends on our common stock is subject to the discretion of our board of directors and will depend upon various factors, including our results of operations, financial condition, liquidity requirements, capital requirements, level of indebtedness, contractual restrictions with respect to payment of dividends, restrictions imposed by applicable law, general business conditions, and other factors that our board of directors may deem relevant. Refer to Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Limitations on Distributions and Dividends by Subsidiaries" for a description of the restrictions on our ability to pay dividends.

#### ***Securities Authorized for Issuance Under Equity Compensation Plans***

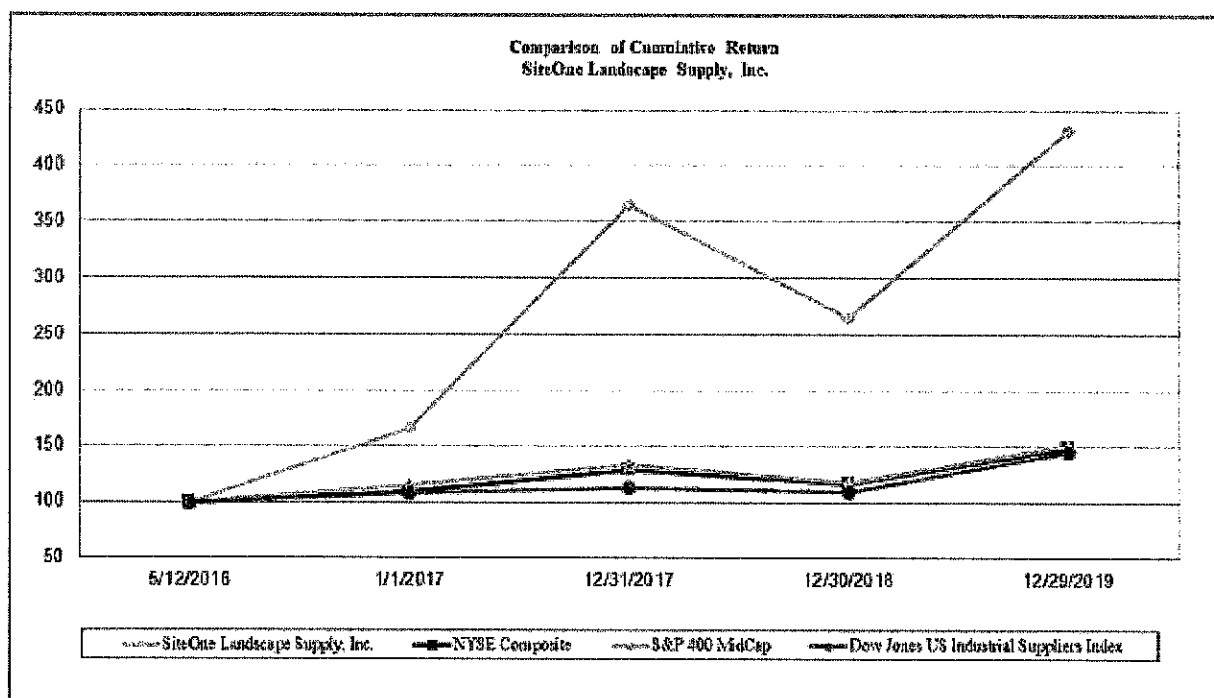
Refer to Item 12. "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" in this Annual Report on Form 10-K, which information will be set forth in SiteOne's Proxy Statement for the 2020 Annual Meeting of Stockholders.

#### ***Stock Performance Graph***

*This performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any of our filings under the Securities Act of 1933, as amended, or the Exchange Act.*

The graph below presents the Company's cumulative total shareholder returns relative to the performance of the NYSE Composite Index, Standard & Poor's MidCap 400 Index and Dow Jones US Industrial Supplier Index for the period commencing on May 12, 2016 (the Company's initial day of trading) and ending on December 29, 2019, the end of our last fiscal year. All values assume a \$100 initial investment at the opening price of the Company's common stock on the NYSE and data for the NYSE Composite Index, Standard & Poor's MidCap 400 Index and Dow Jones US Industrial Supplier Index assumes all dividends were reinvested on the date paid. The points on the graph represent fiscal year-end values based on the last trading day of each fiscal year. The comparisons are based on historical data and are not indicative of, nor intended to forecast, the future performance of our common stock.





***Recent Sales of Unregistered Securities***

None.

***Purchases of Equity Securities by Issuer and Affiliates Purchasers***

None.

**Item 6. Selected Financial Data**

The following tables set forth selected historical consolidated financial data as of the dates and for the periods indicated. The selected balance sheet data as of December 29, 2019 and December 30, 2018, and the statement of operations data for each of the 2019 Fiscal Year, 2018 Fiscal Year, and 2017 Fiscal Year have been derived from our audited consolidated financial statements and related notes included in this Annual Report on Form 10-K. The selected balance sheet data as of December 31, 2017, January 1, 2017, and January 3, 2016 and the statement of operations data for the 2016 Fiscal Year and 2015 Fiscal Year have been derived from our audited financial statements and related notes not included in this Annual Report on Form 10-K.

In the opinion of our management, our consolidated financial statements contain all adjustments, consisting of normal recurring accruals, necessary for a fair statement of our financial position, results of our operations, and cash flows. Our historical financial data may not be indicative of our future performance. The selected historical financial and operating data are qualified in their entirety by, and should be read in conjunction with Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and related notes included in this Annual Report on Form 10-K.

	Year ended				
	December 29, 2019	December 30, 2018	December 31, 2017	January 1, 2017	January 3, 2016
	(in millions, except share and per share data)				
<b>Statement of operations data:</b>					
Net sales	\$ 2,357.5	\$ 2,112.3	\$ 1,861.7	\$ 1,648.2	\$ 1,451.6
Cost of goods sold	1,584.3	1,434.2	1,266.2	1,132.5	1,022.5
Gross profit	773.2	678.1	595.5	515.7	429.1
Selling, general and administrative	654.3	578.8	502.2	446.5	373.3
Other income	6.0	8.0	4.5	4.8	4.0
Operating income	124.9	107.3	97.8	74.0	59.8
Interest and other non-operating expenses	33.4	32.1	25.2	22.1	11.4
Income before taxes	91.5	75.2	72.6	51.9	48.4
Income tax expense	13.8	1.3	18.0	21.3	19.5
Net income	\$ 77.7	\$ 73.9	\$ 54.6	\$ 30.6	\$ 28.9
Net income (loss) attributable to common shares <sup>(1)</sup>	\$ 77.7	\$ 73.9	\$ 54.6	\$ (91.4)	\$ (14.8)
Net income (loss) per common share:					
Basic	\$ 1.89	\$ 1.83	\$ 1.37	\$ (3.01)	\$ (1.04)
Diluted	\$ 1.82	\$ 1.73	\$ 1.29	\$ (3.01)	\$ (1.04)
<b>Weighted average number of common shares outstanding:</b>					
Basic	41,218,843	40,488,196	39,754,595	30,316,087	14,209,843
Diluted	42,750,348	42,633,309	42,193,432	30,316,087	14,209,843

	As of December 29, 2019	As of December 30, 2018	As of December 31, 2017	As of January 1, 2017	As of January 3, 2016
<b>Balance sheet data:</b>	(in millions)				
Total assets	1,443.3	1,168.5	910.7	742.6	668.7
Total debt <sup>(2)</sup>	524.9	558.2	463.6	375.5	177.7
Redeemable convertible preferred stock	—	—	—	—	216.8

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	Year ended				
	December 29, 2019	December 30, 2018	December 31, 2017	January 1, 2017	January 3, 2016
	(in millions, except share and per share data)				
Net income	\$ 77.7	\$ 73.9	\$ 54.6	\$ 30.6	\$ 28.9
Less:					
Redeemable convertible preferred stock dividends	—	—	—	9.6	25.1
Redeemable convertible preferred stock beneficial conversion feature	—	—	—	—	18.6
Special cash dividend paid to preferred stockholders	—	—	—	112.4	—
Net income (loss) attributable to common shares	<u>\$ 77.7</u>	<u>\$ 73.9</u>	<u>\$ 54.6</u>	<u>\$ (91.4)</u>	<u>\$ (14.8)</u>

- (1) Net income (loss) attributable to common shares represents Net income minus accumulated Preferred Stock dividends, any beneficial conversion feature amortized in the period, and special cash dividend paid to preferred stockholders.
- (2) Total debt includes current and non-current portions of long-term debt offset by unamortized debt discount and issuance costs.

## **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following information should be read in conjunction with the "Selected Financial Data" and the accompanying consolidated financial statements and related notes included in this Annual Report on Form 10-K.*

*For the discussion of the financial condition and results of operations for the year ended December 30, 2018 compared to the year ended December 31, 2017, refer to "Part II—Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations" and "Liquidity and Capital Resources" in our Annual Report on Form 10-K for the fiscal year ended December 30, 2018 filed with the SEC on February 27, 2019, which discussion is incorporated herein by reference.*

*The following discussion may contain forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those factors discussed below and elsewhere in this Annual Report on Form 10-K, particularly in "Special Note Regarding Forward-Looking Statements and Information" and "Risk Factors" included elsewhere in this Annual Report on Form 10-K.*

### **Overview**

SiteOne Landscape Supply, Inc. (collectively with all its subsidiaries referred to in this Annual Report on Form 10-K as "SiteOne," the "Company," "we," "us", and "our" or individually as "Holdings") indirectly owns 100% of the membership interest in SiteOne Landscape Supply Holding, LLC ("Landscape Holding"). Landscape Holding is the parent and sole owner of SiteOne Landscape Supply, LLC ("Landscape").

We are the largest and only national wholesale distributor of landscape supplies in the United States and have a growing presence in Canada. Our customers are primarily residential and commercial landscape professionals who specialize in the design, installation, and maintenance of lawns, gardens, golf courses, and other outdoor spaces. Through our expansive North American network of over 550 branch locations in 45 U.S. states and six Canadian provinces, we offer a comprehensive selection of more than 120,000 SKUs, including irrigation supplies, fertilizer and control products (e.g., herbicides), landscape accessories, nursery goods, hardscapes (including pavers, natural stone, and blocks), outdoor lighting, and ice melt products to green industry professionals. We also provide value-added consultative services to complement our product offerings and to help customers operate and grow their businesses.

### **Presentation**

Our financial statements included in this report have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). We use a 52/53 week fiscal year with the fiscal year ending on the Sunday nearest to December 31 in each year. Our fiscal quarters end on the Sunday nearest to March 31, June 30 and September 30, respectively.

This discussion of our financial condition is presented for the 2019 Fiscal Year, which ended on December 29, 2019 and included 52 weeks and 252 Selling Days and the 2018 Fiscal Year, which ended on December 30, 2018 and included 52 weeks and 252 Selling Days. "Selling Days" are defined below within the Key Business and Performance Metrics section.

We manage our business as a single reportable segment. Within our organizational framework, the same operational resources support multiple geographic regions and performance is evaluated at a consolidated level. We also evaluate performance based on discrete financial information on a regional basis. Since all of our regions have similar operations and share similar economic characteristics, we aggregate regions into a single operating and reportable segment. These similarities include (1) long-term financial performance, (2) the nature of products and services, (3) the types of customers we sell to, and (4) the distribution methods utilized.

### **Key Business and Performance Metrics**

We focus on a variety of indicators and key operating and financial metrics to monitor the financial condition and performance of our business. These metrics include:

**Net sales.** We generate Net sales primarily through the sale of landscape supplies, including irrigation systems, fertilizer and control products, landscape accessories, nursery goods, hardscapes, and outdoor lighting to our customers who are primarily landscape contractors serving the residential and commercial construction sectors. Our Net sales include billings for freight and handling charges, and commissions on the sale of control products that we sell as an agent. Net sales are presented net of any discounts, returns, customer rebates, and sales or other revenue-based taxes.

**Non-GAAP Organic Sales.** In managing our business, we consider all growth, including the opening of new greenfield branches, to be organic growth unless it results from an acquisition. When we refer to Organic Sales growth, we include increases in growth from newly-opened greenfield branches and decreases in growth from closing existing branches, but exclude increases in growth from acquired branches until they have been under our ownership for at least four full fiscal quarters at the start of the fiscal reporting period.

**Non-GAAP Selling Days.** Selling Days are defined as business days, excluding Saturdays, Sundays and holidays, that our branches are open during the year. Depending upon the location and the season, our branches may be open on Saturdays and Sundays; however for consistency, those days have been excluded from the calculation of Selling Days.

**Non-GAAP Organic Daily Sales.** We define Organic Daily Sales as Organic Sales divided by the number of Selling Days in the relevant reporting period. We believe Organic Sales growth and Organic Daily Sales growth are useful measures for evaluating our performance as we may choose to open or close branches in any given market depending upon the needs of our customers or our strategic growth opportunities. Refer to “Results of Operations—Quarterly Results of Operations Data” for a reconciliation of Organic Daily Sales to Net sales.

**Cost of goods sold.** Our Cost of goods sold includes all inventory costs, such as purchase price paid to suppliers, net of any volume-based incentives, as well as inbound freight and handling, and other costs associated with inventory. Our Cost of goods sold excludes the cost to deliver the products to our customers through our branches, which is included in Selling, general and administrative expenses. Cost of goods sold is recognized primarily using the first-in, first-out method of accounting for the inventory sold.

**Gross profit and gross margin.** We believe that Gross profit and gross margin are useful for evaluating our operating performance. We define Gross profit as Net sales less Cost of goods sold, exclusive of depreciation. We define gross margin as Gross profit divided by Net sales.

**Selling, general and administrative expenses (operating expenses).** Our operating expenses are primarily comprised of Selling, general and administrative costs, which include personnel expenses (salaries, wages, employee benefits, payroll taxes, stock-based compensation and bonuses), rent, fuel, vehicle maintenance costs, insurance, utilities, repairs and maintenance, and professional fees. Operating expenses also include depreciation and amortization.

**Non-GAAP Adjusted**

**EBITDA.** In addition to the metrics discussed above, we believe that Adjusted EBITDA is useful for evaluating the operating performance and efficiency of our business. EBITDA represents our Net income (loss) plus the sum of income tax (benefit), interest expense, net of interest income, and depreciation and amortization. Adjusted EBITDA represents EBITDA as further adjusted for items such as stock-based compensation expense, (gain) loss on sale of assets not in the ordinary course of business, other non-cash items, financing fees, other fees and expenses related to acquisitions and other non-recurring (income) loss. Refer to “Results of Operations—Quarterly Results of Operations Data” for more information about how we calculate EBITDA and Adjusted EBITDA and the limitations of those metrics.

**Key Factors Affecting Our Operating Results**

In addition to the metrics described above, a number of other important factors may affect our results of operations in any given period.

**Weather Conditions and Seasonality**

In a typical year, our operating results are impacted by seasonality. Historically, our Net sales and Net income have been higher in the second and third quarters of each fiscal year due to favorable weather and longer daylight conditions during these quarters. Our Net sales have been significantly lower in the first and fourth quarters due to lower landscaping, irrigation, and turf maintenance activities in these quarters, and we have historically incurred net losses in these quarters. Seasonal variations in operating results may also be significantly impacted by inclement weather conditions, such as snow storms, wet weather, and hurricanes, which not only impact the demand for certain products like fertilizer and ice melt, but also may delay construction projects where our products are used.

**Industry and Key Economic Conditions**

Our business depends on demand from customers for landscape products and services. The landscape supply industry includes a significant amount of landscape products, such as irrigation systems, outdoor lighting, lawn care supplies, nursery goods, and landscape accessories, for use in the construction of newly built homes, commercial buildings, and recreational spaces. The landscape supply industry has historically grown in line with rates of growth in residential housing and commercial building. The industry is also affected by trends in home prices, home sales, and consumer spending. As general economic conditions improve or deteriorate, consumption of these

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products and services also tends to fluctuate. The landscape supply industry also includes a significant amount of agronomic products such as fertilizer, herbicides, and ice melt for use in maintaining existing landscapes or facilities. The use of these products is also tied to general economic activity, but levels of sales are not as closely correlated to construction markets.

### ***Popular Consumer Trends***

Preferences in housing, lifestyle, and environmental awareness can also impact the overall level of demand and mix for the products we offer. Examples of current trends we believe are important to our business include a heightened interest in professional landscape services inspired by the popularity of home and garden television shows and magazines, the increasingly popular concept of “outdoor living,” which has been a key driver of sales growth for our hardscapes and outdoor lighting products, and the social focus on eco-friendly products that promote water conservation, energy efficiency, and the adoption of “green” standards.

### ***Acquisitions***

In addition to our organic growth, we continue to grow our business through acquisitions in an effort to better service our existing customers and to attract new customers. These acquisitions have allowed us to further broaden our product lines and extend our geographic reach and leadership positions in local markets. In accordance with GAAP, the results of the acquisitions are reflected in our financial statements from the date of acquisition forward. Additionally, we incur transaction costs in connection with identifying and completing acquisitions as well as ongoing integration costs as we integrate acquired companies and seek to achieve synergies. As of December 29, 2019, we have invested approximately \$220 million in 23 acquisitions since the start of the 2018 Fiscal Year. The following is a summary of the acquisitions completed during the 2019 and 2018 Fiscal Years:

In December 2019, we acquired the assets and assumed the liabilities of Daniel Stone & Landscaping Supplies, Inc. (“Daniel Stone”). With one location in the greater Austin, Texas market, Daniel Stone is a distributor of hardscapes and landscape supplies to landscape professionals.

In December 2019, we acquired all of the members’ interests of Dirt Doctors, Inc. (“Dirt Doctors”). With three locations in the greater New England market, Dirt Doctors is a distributor of hardscapes and landscape supplies to landscape professionals.

In September 2019, we acquired the assets and assumed the liabilities of Design Outdoor, Inc. (“Design Outdoor”). With one location in the greater Reno/Lake Tahoe, Nevada area, Design Outdoor is a distributor of hardscapes products to landscape professionals.

In August 2019, we acquired the assets and assumed the liabilities of Trendset Concrete Products, Inc. (“Trendset”). With one location in the greater Seattle, Washington market, Trendset is a distributor of hardscapes products to landscape professionals.

In July 2019, we acquired the assets and assumed the liabilities of L.H. Voss Materials Dublin and its affiliates, Mt. Diablo Landscape Centers and Clark’s Home & Garden (collectively, “Voss”). With five locations across the East Bay in Northern California, Voss is a distributor of hardscapes and landscape supplies to landscape professionals.

In May 2019, we acquired the assets and assumed the liabilities of Stone and Soil Depot, Inc. (“Stone and Soil”). With three locations in the greater San Antonio, Texas market, Stone and Soil is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals.

In April 2019, we acquired the assets and assumed the liabilities of Fisher’s Landscape Depot (“Fisher’s”). With two locations in Western Ontario, Canada, Fisher’s is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals.

In April 2019, we acquired the assets and assumed the liabilities of Landscape Depot, Inc. (“Landscape Depot”). With three locations in the greater Boston, Massachusetts market, Landscape Depot is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals.

In February 2019, we acquired the assets and assumed the liabilities of All Pro Horticulture, Inc. (“All Pro”). With one location in Long Island, New York, All Pro is a market leader in the distribution of agronomics and erosion control products to landscape professionals.

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In January 2019, we acquired the assets and assumed the liabilities of Cutting Edge Curbing Sand & Rock ("Cutting Edge"). With one location in Phoenix, Arizona, Cutting Edge is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals.

In December 2018, we acquired the assets and assumed the liabilities of All Around Landscape Supply and Santa Ynez Stone & Topsoil ("All Around"). With four locations in Santa Barbara County, California, All Around is a market leader in the distribution of irrigation, hardscapes, and landscape supplies to landscape professionals.

In October 2018, we acquired the assets and assumed the liabilities of C&C Sand and Stone ("C&C"). With four locations in Colorado, C&C is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals.

In July 2018, we acquired the assets and assumed the liabilities of Central Pump & Supply, Inc. d/b/a CentralPro ("CentralPro"). With 11 locations throughout Central Florida, CentralPro is a market leader in the distribution of irrigation, lighting, and drainage products to landscape professionals.

In July 2018, we acquired the assets and assumed the liabilities of Stone Center LC ("Stone Center"). With one location in Manassas, Virginia, Stone Center is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals.

In July 2018, we acquired the outstanding stock of Koppco, Inc. and Kirkwood Material Supply, Inc. (collectively "Kirkwood"). With eight locations in the St. Louis, Missouri metropolitan area, Kirkwood is a market leader in the distribution of hardscapes and nursery supplies to landscape professionals.

In July 2018, we acquired the outstanding stock of LandscapeXpress, Inc. ("Landscape Express"). With four locations in the Boston, Massachusetts metropolitan area, Landscape Express is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals.

In June 2018, we acquired the assets and assumed the liabilities of Southwood Valley Turf II, Ltd, d/b/a All American Stone and Turf ("All American"). With one location in College Station, Texas, All American is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals in East Texas.

In June 2018, we acquired the outstanding stock of Auto-Rain Supply Inc. ("Auto-Rain"). With five locations in Washington and Idaho, Auto-Rain is a market leader in the distribution of irrigation and related products to landscape professionals.

In May 2018, we acquired the assets and assumed the liabilities of Landscaper's Choice Wholesale Nursery and Supply ("Landscaper's Choice"). With two locations in Naples and Bonita Springs, Florida, Landscaper's Choice is a market leader in wholesale nursery distribution.

In April 2018, we acquired the assets and assumed the liabilities of Northwest Marble & Terrazzo Co. ("Terrazzo"). With two locations in Bellevue and Marysville, Washington, Terrazzo is a market leader in the distribution of natural stone and hardscapes material to landscape professionals.

In March 2018, we acquired the assets and assumed the liabilities of the distribution locations of Village Nurseries Landscape Centers ("Village"). With three locations in Orange, Huntington Beach, and Sacramento, California, Village is a market leader in wholesale nursery distribution.

In February 2018, we acquired the outstanding stock of Atlantic Irrigation Specialties, Inc. and the limited liability company interests of Atlantic Irrigation South, LLC (collectively, "Atlantic"). With 33 locations in 12 states within the Eastern U.S. and two provinces in Eastern Canada, Atlantic is a market leader in the distribution of irrigation, lighting, drainage, and landscaping equipment to green industry professionals.

In January 2018, we acquired the assets and assumed the liabilities of Pete Rose, Inc. ("Pete Rose"). With one location in Richmond, Virginia, Pete Rose is a market leader in the distribution of natural stone and hardscapes material to landscape professionals.

We expect the execution of synergistic acquisitions to continue to be an integral part of our growth strategy, and we intend to continue expanding our product line, geographic reach, market share, and operational capabilities through future acquisitions.

## ***Volume-Based Pricing***

We generally procure our products through purchase orders rather than under long-term contracts with firm commitments. We work to develop strong relationships with a select group of suppliers that we target based on a number of factors, including brand and market recognition, price, quality, product support, service levels, delivery terms, and strategic positioning. We typically have annual supplier agreements, and while they generally do not provide for specific product pricing, many include volume-based financial incentives that we earn by meeting or exceeding purchase volume targets. Our ability to earn these volume-based incentives is an important factor in our financial results. In certain cases, we have entered into supply contracts with terms that exceed one year for the manufacture of our LESCO® branded fertilizer, some nursery goods, and grass seed, which may require us to purchase products in the future.

### ***Strategic Initiatives***

We continue to undertake operational initiatives, utilizing our scale to improve our profitability, enhance supply chain efficiency, strengthen our pricing and category management capabilities, streamline and refine our marketing process, and invest in more sophisticated information technology systems and data analytics. We are focusing on our procurement and supply chain management initiatives to better serve our customers and reduce sourcing costs. We are also implementing new inventory planning and stocking system functionalities and new transportation management systems in an effort to reduce costs as well as improve our reliability and level of service. In addition, we continue to enhance our website and B2B e-Commerce platform, which we believe provides the convenience of an online sales channel, enhanced account management functionality, and industry specific productivity tools for our customers. We also work closely with our local branches to improve sales, delivery, and branch productivity. We believe we will continue to benefit from the following initiatives, among others:

Pricing initiatives, including the development of a centralized pricing and discounting strategy and the implementation of data analytics to aid special pricing and bidding, were initiated beginning in the second quarter of 2015 and are expected to continue through 2021.

Category management initiatives, including the implementation of organic growth strategies, the development of our private label product strategy, the expansion of product lines, and the reorganization of brands and products by preferred suppliers, were initiated beginning in the first quarter of 2015 and are expected to continue through 2022.

Supply chain initiatives, including the implementation of new inventory planning and stocking systems, the installation of new distribution centers, local hubs in large markets, and local fleet utilization and cost improvement, were initiated in the fourth quarter of 2016 and are expected to continue through 2022.

Sales force performance initiatives, including the implementation of new compensation plans, the restructuring of our sales force, the formal sales and product training for sales force and management, and the implementation of a comprehensive CRM, were initiated beginning in the third quarter of 2015 and are expected to continue through 2022.

Marketing initiatives, including a relaunch of the Partners Program and implementation of a digital marketing strategy, were initiated beginning in the third quarter of 2015 and are expected to continue through 2022.

E-Commerce initiatives, including the relaunch of our website and the implementation of a B2B e-Commerce platform, which provides the convenience of an online sales channel, enhanced account management functionality, and industry specific productivity tools for our customers, are expected to continue through 2022.

Operational excellence initiatives, including the implementation of best practices in branch operations which encompasses safety, merchandising, stocking and assortment, customer engagement, delivery, labor management, as well as branch systems automation and enhancement including the rollout of barcoding, are expected to continue through 2022.

### ***Working Capital***

In addition to affecting our Net sales, fluctuations in prices of supplies tend to result in changes in our reported inventories, trade receivables, and trade payables, even when our sales volumes and our rate of turnover of these working capital items remain relatively constant. Our business is characterized by a relatively high level of reported working capital, the effects of which can be compounded by changes in prices. Our working capital needs are exposed to these price fluctuations, as well as to fluctuations in our cost for transportation and distribution. We might not always be able to reflect these increases in our pricing. The strategic initiatives described above are designed to reduce our exposure to these fluctuations and maintain and improve our efficiency.



## Results of Operations

In the following discussion of our results of operations, we make comparisons among the 2019 Fiscal Year and the 2018 Fiscal Year.

### Consolidated Statements of Operations

	December 31, 2018 to December 29, 2019		January 1, 2018 to December 30, 2018	
			(in millions)	
Net sales	\$	2,357.5	100.0%	\$ 2,112.3 100.0%
Cost of goods sold		1,584.3	67.2%	1,434.2 67.9%
<b>Gross profit</b>		<b>773.2</b>	<b>32.8%</b>	<b>678.1 32.1%</b>
Selling, general and administrative expenses		654.3	27.8%	578.8 27.4%
Other income		6.0	0.3%	8.0 0.4%
<b>Operating income</b>		<b>124.9</b>	<b>5.3%</b>	<b>107.3 5.1%</b>
Interest and other non-operating expenses		33.4	1.4%	32.1 1.5%
Income tax expense		13.8	0.6%	1.3 0.1%
<b>Net income</b>	<b>\$</b>	<b>77.7</b>	<b>3.3%</b>	<b>\$ 73.9 3.5%</b>

### Comparison of the 2019 Fiscal Year to the 2018 Fiscal Year

#### *Net sales*

Net sales for the 2019 Fiscal Year increased 12% to \$2,357.5 million as compared to \$2,112.3 million for the 2018 Fiscal Year. Organic Daily Sales for the 2019 Fiscal Year grew 5% as we benefited from demand growth in our end markets and price increases in response to cost inflation. Organic Daily Sales for landscaping products (irrigation, nursery, hardscapes, outdoor lighting, and landscape accessories) grew 5% reflecting strength in both the new construction and the repair and upgrade end markets. Organic Daily Sales for agronomic products (fertilizer, control products, ice melt, equipment, and other products) grew 4% reflecting steady growth in the maintenance end market. Acquisitions contributed 7%, or \$151.5 million, to Net sales growth.

#### *Cost of goods sold*

Cost of goods sold for the 2019 Fiscal Year increased 10% to \$1,584.3 million from \$1,434.2 million for the 2018 Fiscal Year. The increase in Cost of goods sold was primarily driven by the increased Net sales growth, including growth from acquisitions.

#### *Gross profit and gross margin*

Gross profit for the 2019 Fiscal Year increased 14% to \$773.2 million as compared to \$678.1 million for the 2018 Fiscal Year. Gross profit growth was primarily driven by the Net sales increase. Gross margin increased 70 basis points to 32.8% in the 2019 Fiscal Year as compared to 32.1% in the 2018 Fiscal Year. The improvement in gross margin reflected the contributions from acquisitions and strategic inventory purchases ahead of price increases.

#### *Selling, general and administrative expenses (operating expenses)*

Operating expenses for the 2019 Fiscal Year increased 13% to \$654.3 million from \$578.8 million for the 2018 Fiscal Year. The increase in operating expenses was primarily driven by additional costs associated with acquisitions and inflationary growth in wages and benefits. Operating expenses as a percentage of Net sales increased to 27.8% for the 2019 Fiscal Year compared to 27.4% for the 2018 Fiscal Year. The increase in operating expenses as a percentage of Net sales primarily reflected the impact from acquisitions with higher operating expenses as a percentage of Net sales. Depreciation and amortization increased \$7.2 million to \$59.5 million primarily as a result of our acquisitions.

#### *Interest expense and other non-operating expense*

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Interest expense and other non-operating expense increased 4% to \$33.4 million in the 2019 Fiscal Year from \$32.1 million in the 2018 Fiscal Year. The increase was primarily the result of higher average debt levels in the 2019 Fiscal Year as compared to the 2018 Fiscal Year.

### *Income tax expense*

Income tax expense was \$13.8 million during the 2019 Fiscal Year as compared to \$1.3 million during the 2018 Fiscal Year. The effective tax rate was 15.1% during the 2019 Fiscal Year as compared to 1.7% for the 2018 Fiscal Year. The increase in the effective tax rate was due primarily to a decrease in the amount of excess tax benefits recognized as a component of Income tax expense in the Consolidated Statements of Operations. Excess tax benefits of \$9.6 million were recognized for the 2019 Fiscal Year as compared to \$16.3 million for the 2018 Fiscal Year.

### *Net income*

Net income for the 2019 Fiscal Year increased 5% to \$77.7 million as compared to \$73.9 million for the 2018 Fiscal Year. The increase in Net income was primarily attributable to Net sales growth, partially offset by increased operating expenses and a higher effective tax rate.

### ***Quarterly Results of Operations Data***

The following tables set forth certain financial data for each of the most recent eight fiscal quarters including our unaudited Net sales, Cost of goods sold, Gross profit, Selling, general and administrative expenses, Net income (loss) and Adjusted EBITDA data (including a reconciliation of Adjusted EBITDA to Net income (loss)). We have prepared the quarterly data on a basis that is consistent with the financial statements included in this Annual Report on Form 10-K. In the opinion of management, the financial information reflects all necessary adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of these data. This information is not a complete set of financial statements and should be read in conjunction with our financial statements and related notes included in this Annual Report on Form 10-K. The results of historical periods are not necessarily indicative of the results of operations for a full year or any future period.

(In millions except per share information and percentages, unaudited)

	2019 Fiscal Year					2018 Fiscal Year				
	Year	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Year	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Net sales	\$ 2,357.5	\$ 535.0	\$ 652.8	\$ 752.4	\$ 417.3	\$ 2,112.3	\$ 474.6	\$ 578.5	\$ 687.8	\$ 371.4
Cost of goods sold	1,584.3	365.0	437.6	494.4	287.3	1,434.2	325.9	387.5	457.9	262.9
Gross profit	773.2	170.0	215.2	258.0	130.0	678.1	148.7	191.0	229.9	108.5
Selling, general and administrative expenses	654.3	166.8	165.0	166.7	155.8	578.8	150.1	151.8	145.2	131.7
Other income	6.0	1.2	2.3	1.4	1.1	8.0	2.0	2.3	1.1	2.6
Operating income (loss)	124.9	4.4	52.5	92.7	(24.7)	107.3	0.6	41.5	85.8	(20.6)
Interest and other non-operating expenses	33.4	7.5	8.2	8.7	9.0	32.1	8.3	9.2	8.0	6.6
Income tax (benefit) expense	13.8	(5.6)	9.7	19.3	(9.6)	1.3	(5.6)	2.4	14.7	(10.2)
Net income (loss)	\$ 77.7	\$ 2.5	\$ 34.6	\$ 64.7	\$ (24.1)	\$ 73.9	\$ (2.1)	\$ 29.9	\$ 63.1	\$ (17.0)
Net income (loss) per common share:										
Basic	\$ 1.89	\$ 0.06	\$ 0.84	\$ 1.57	\$ (0.59)	\$ 1.83	\$ (0.05)	\$ 0.74	\$ 1.56	\$ (0.43)
Diluted	\$ 1.82	\$ 0.06	\$ 0.81	\$ 1.52	\$ (0.59)	\$ 1.73	\$ (0.05)	\$ 0.70	\$ 1.48	\$ (0.43)
Adjusted EBITDA <sup>(1)</sup>	\$ 201.1	\$ 22.2	\$ 70.5	\$ 114.3	\$ (5.9)	\$ 176.0	\$ 18.1	\$ 60.0	\$ 103.0	\$ (5.1)
Net sales as a percentage of annual Net sales	100.0%	22.7%	27.7%	31.9%	17.7 %	100.0%	22.4%	27.4%	32.6%	17.6 %
Gross profit as a percentage of annual Gross profit	100.0%	22.0%	27.8%	33.4%	16.8 %	100.0%	21.9%	28.2%	33.9%	16.0 %
Adjusted EBITDA as a percentage of annual Adjusted EBITDA	100.0%	11.0%	35.1%	56.8%	(2.9)%	100.0%	10.3%	34.1%	58.5%	(2.9)%

(1) In addition to our Net income (loss) determined in accordance with GAAP, we present Adjusted EBITDA in this Annual Report on Form 10-K to evaluate the operating performance and efficiency of our business. EBITDA represents our Net income (loss) plus the sum of income tax (benefit), interest expense, net of interest income, and depreciation and amortization. Adjusted EBITDA is further adjusted for stock-based compensation expense, (gain) loss on sale of assets, other non-cash items, financing fees, other fees and expenses related to acquisitions and other non-recurring (income) loss. We believe that Adjusted EBITDA is an important supplemental measure of operating performance because:

- Adjusted EBITDA is used to test compliance with certain covenants under our long-term debt agreements;
- Adjusted EBITDA is frequently used by securities analysts, investors, and other interested parties in their evaluation of companies, many of which present an Adjusted EBITDA measure when reporting their results;
- Adjusted EBITDA is helpful in highlighting operating trends, because it excludes the results of decisions that are outside the control of operating management and that can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate, age and book depreciation of facilities, and capital investments;
- we consider (gains) losses on the acquisition, disposal, and impairment of assets as resulting from investing decisions rather than ongoing operations; and
- other significant non-recurring items, while periodically affecting our results, may vary significantly from period to period and have a disproportionate effect in a given period, which affects comparability of our results.

Adjusted EBITDA is not a measure of our liquidity or financial performance under GAAP and should not be considered as an alternative to Net income, operating income, or any other performance measures derived in accordance with GAAP, or as an

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alternative to cash flow from operating activities as a measure of our liquidity. The use of Adjusted EBITDA instead of Net income has limitations as an analytical tool. For example, this measure:

- does not reflect changes in, or cash requirements for, our working capital needs;
- does not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- does not reflect our Income tax (benefit) expense or the cash requirements to pay our income taxes;
- does not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments; and
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and does not reflect any cash requirements for such replacements.

Management compensates for these limitations by relying primarily on the GAAP results and by using Adjusted EBITDA only as a supplement to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Because not all companies use identical calculations, our presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies limiting their usefulness as a comparative measure.

The following table presents a reconciliation of Adjusted EBITDA to Net income (loss):

(In millions, unaudited)

	2019 Fiscal Year					2018 Fiscal Year				
	Year	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Year	Qtr 4	Qtr 3	Qtr 2	Qtr 1
<b>Reported Net income (loss)</b>	\$ 77.7	\$ 2.5	\$ 34.6	\$ 64.7	\$ (24.1)	\$ 73.9	\$ (2.1)	\$ 29.9	\$ 63.1	\$ (17.0)
Income tax (benefit) expense	13.8	(5.6)	9.7	19.3	(9.6)	1.3	(5.6)	2.4	14.7	(10.2)
Interest expense, net	33.4	7.5	8.2	8.7	9.0	32.1	8.3	9.2	8.0	6.6
Depreciation & amortization	59.5	14.8	14.6	14.7	15.4	52.3	14.0	14.1	12.5	11.7
<b>EBITDA</b>	184.4	19.2	67.1	107.4	(9.3)	159.6	14.6	55.6	98.3	(8.9)
Stock-based compensation <sup>(a)</sup>	11.7	2.0	2.5	5.4	1.8	7.9	1.8	1.9	2.1	2.1
(Gain) loss on sale of assets <sup>(b)</sup>	0.3	0.1	0.1	—	0.1	(0.4)	(0.1)	(0.3)	0.1	(0.1)
Financing fees <sup>(c)</sup>	—	—	—	—	—	0.8	0.1	0.7	—	—
Acquisitions and other adjustments <sup>(d)</sup>	4.7	0.9	0.8	1.5	1.5	8.1	1.7	2.1	2.5	1.8
<b>Adjusted EBITDA<sup>(e)</sup></b>	<b>\$ 201.1</b>	<b>\$ 22.2</b>	<b>\$ 70.5</b>	<b>\$ 114.3</b>	<b>\$ (5.9)</b>	<b>\$ 176.0</b>	<b>\$ 18.1</b>	<b>\$ 60.0</b>	<b>\$ 103.0</b>	<b>\$ (5.1)</b>

(a) Represents stock-based compensation expense recorded during the period.

(b) Represents any gain or loss associated with the sale of assets not in the ordinary course of business.

(c) Represents fees associated with our debt refinancing and debt amendments.

(d) Represents professional fees, retention and severance payments, and performance bonuses related to historical acquisitions. Although we have incurred professional fees, retention and severance payments, and performance bonuses related to acquisitions in several historical periods and expect to incur such fees and payments for any future acquisitions, we cannot predict the timing or amount of any such fees or payments.

(e) Adjusted EBITDA excludes any earnings or loss of acquisitions prior to their respective acquisition dates for all periods presented.

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The following table presents a reconciliation of Organic Daily Sales to Net sales:

(In millions, except Selling Days; unaudited)

	2019 Fiscal Year					2018 Fiscal Year				
	Year	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Year	Qtr 4	Qtr 3	Qtr 2	Qtr 1
<b>Reported Net sales</b>	\$ 2,357.5	\$ 535.0	\$ 652.8	\$ 752.4	\$ 417.3	\$ 2,112.3	\$ 474.6	\$ 578.5	\$ 687.8	\$ 371.4
Organic sales <sup>(a)</sup>	2,077.1	469.3	570.4	660.1	377.3	1,983.4	434.2	535.1	653.2	360.9
Acquisition contribution <sup>(b)</sup>	280.4	65.7	82.4	92.3	40.0	128.9	40.4	43.4	34.6	10.5
Selling Days	252	61	63	64	64	252	61	63	64	64
<b>Organic Daily Sales</b>	\$ 8.2	\$ 7.7	\$ 9.1	\$ 10.3	\$ 5.9	\$ 7.9	\$ 7.1	\$ 8.5	\$ 10.2	\$ 5.6

(a) Organic sales equals reported Net sales less Net sales from branches acquired in 2018 and 2019.

(b) Represents Net sales from acquired branches that have not been under our ownership for at least four full fiscal quarters at the start of the 2019 Fiscal Year. Includes Net sales from branches acquired in 2018 and 2019.

## Liquidity and Capital Resources

Our ongoing liquidity needs are expected to be funded by cash on hand, net cash provided by operating activities and, as required, borrowings under the ABL Facility. We expect that cash provided from operations and available capacity under the ABL Facility will provide sufficient funds to operate our business, make expected capital expenditures, and meet our liquidity requirements for the following 12 months, including payment of interest and principal on our debt.

Our borrowing base capacity under the ABL Facility was \$263.4 million as of December 29, 2019, after giving effect to approximately \$92.8 million of revolving credit loans under the ABL Facility, a \$30.3 million decrease from \$123.1 million of revolving credit loans as of December 30, 2018. As of December 29, 2019, we had total cash and cash equivalents of \$19.0 million, total debt (net of debt discounts and issuance costs) of \$524.9 million, and finance leases of \$22.9 million.

Working capital was \$455.0 million as of December 29, 2019, a decrease of \$28.0 million as compared to \$483.0 million as of December 30, 2018. The decrease in working capital reflects the \$48.6 million addition of the Current portion of operating leases liability as a result of the adoption of the lease accounting standard during the first quarter of 2019, partially offset by an increase in inventory associated with 2019 acquisitions.

Capital expenditures of \$19.5 million for the 2019 Fiscal Year were 0.8% of Net sales for the year. Capital expenditures have averaged \$16.3 million annually from the 2017 Fiscal Year to the 2019 Fiscal Year representing an average of 0.8% of Net sales over this time period.

Information about our cash flows, by category, is presented in our statements of cash flows and is summarized below:

	For the year	
	December 31, 2018 to December 29, 2019	January 1, 2018 to December 30, 2018
	(in millions)	
Net cash provided by (used in):		
Operating activities	\$ 130.8	\$ 78.1
Investing activities	\$ (91.9)	\$ (164.1)
Financing activities	\$ (37.3)	\$ 86.8

***Cash flow provided by operating activities***

Cash flow provided by operating activities for the 2019 Fiscal Year was \$130.8 million as compared to \$78.1 million for the 2018 Fiscal Year. The increase in operating cash flow reflected improved turns in inventory and accounts receivable.

***Cash flow used in investing activities***

Cash used in investing activities for the 2019 Fiscal Year was \$91.9 million as compared to \$164.1 million for the 2018 Fiscal Year. The decrease in Cash used in investing was primarily attributable to reduced investment in acquisitions. Capital expenditures of \$19.5 million were \$4.6 million higher in the 2019 Fiscal Year compared to \$14.9 million in the 2018 Fiscal Year. The increase was primarily attributable to investments in barcoding and material handling equipment.

***Cash flow (used in) provided by financing activities***

Cash flow used in financing activities was \$37.3 million for the 2019 Fiscal Year as compared to cash flow provided by financing activities of \$86.8 million in the 2018 Fiscal Year. The decrease was primarily attributable to reduced borrowings resulting from the combination of lower acquisition investments and higher operating cash flows.

**External Financing**

***Term Loan Facility***

Landscape Holding and Landscape (collectively, the “Term Loan Borrower”) are parties to the Amended and Restated Term Loan Credit Agreement dated April 29, 2016, which was amended on November 23, 2016, May 24, 2017, December 12, 2017, and August 14, 2018, providing for a senior secured term loan facility (the “Term Loan Facility”), with UBS AG, Stamford Branch as administrative agent and collateral agent, and the other financial institutions and lenders from time to time party thereto. In connection with the amendment on August 14, 2018, the final maturity date of the Term Loan Facility was extended to October 29, 2024.

In addition, however, the Amended and Restated Term Loan Credit Agreement provides the right for individual lenders to extend the maturity date of their loans upon the request of Landscape Holding without the consent of any other lender.

Subject to certain conditions, without the consent of the then existing lenders (but subject to the receipt of commitments), the Term Loan Facility may be increased (or a new term loan facility, revolving credit facility, or letter of credit facility added) by up to (i) the greater of (a) \$175.0 million and (b) 100% of Consolidated EBITDA (as defined in the Amended and Restated Term Loan Credit Agreement) for the trailing 12-month period plus (ii) an additional amount that will not cause the net secured leverage ratio after giving effect to the incurrence of such additional amount and any use of proceeds thereof to exceed 3.50 to 1.00.

The Term Loan Facility is subject to mandatory prepayment provisions, covenants, and events of default. Failure to comply with these covenants and other provisions could result in an event of default under the Term Loan Facility. If an event of default occurs, the lenders could elect to declare all amounts outstanding under the Term Loan Facility to be immediately due and payable and enforce their interest in collateral pledged under the agreement.

***Term Loan Facility Amendments***

On August 14, 2018, we amended the Term Loan Facility (the “Fourth Amendment”) to, among other things, (i) add an additional credit facility under the Term Loan Facility consisting of additional term loans (the “Tranche E Term Loans”) in an aggregate principal amount of \$347.4 million and (ii) increase the aggregate principal amount of Tranche E Term Loans under the Term Loan Facility to \$447.4 million. Proceeds of the Tranche E Term Loans were used to, among other things, (i) repay in full the Tranche D Term Loans and (ii) repay approximately \$96.8 million of borrowings outstanding under the ABL Facility.

The Tranche E Term Loans bear interest, at Landscape Holding’s option, at either (i) an adjusted LIBOR rate (as defined in the Term Loan Facility) plus an applicable margin equal to 2.75% or (ii) an alternative base rate plus an applicable margin equal to 1.75%. The other terms of the Tranche E Term Loans are generally the same as the terms applicable to the previously existing term loans under the Term Loan Facility, provided that certain terms of the Term Loan Facility were modified by the Fourth Amendment. The interest rate on the outstanding balance was 4.46% as of December 29, 2019.

The Term Loan Facility contains customary representations and warranties and customary affirmative and negative covenants. The negative covenants limit the ability of Landscape Holding and Landscape to:

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- incur additional indebtedness;
- pay dividends, redeem stock, or make other distributions;
- repurchase, prepay, or redeem subordinated indebtedness;
- make investments;
- create restrictions on the ability of Landscape Holding's restricted subsidiaries to pay dividends or make other intercompany transfers;
- create liens;
- transfer or sell assets;
- make negative pledges;
- consolidate, merge, sell, or otherwise dispose of all or substantially all of Landscape Holding's assets;
- conduct, transact, or otherwise engage in businesses or operations at Landscape Holding other than certain specified exceptions relating to its role as a holding company of Landscape and its subsidiaries;
- enter into certain transactions with affiliates; and
- designate subsidiaries as unrestricted subsidiaries.

## ***ABL Facility***

Landscape Holding and Landscape (collectively, the "ABL Borrower") are parties to the credit agreement dated December 23, 2013 (as amended by the First Amendment to the Credit Agreement, dated June 13, 2014, the Second Amendment to the Credit Agreement, dated January 26, 2015, the Third Amendment to the Credit Agreement, dated February 13, 2015, the Fourth Amendment to the Credit Agreement, dated October 20, 2015, the Omnibus Amendment to the Credit Agreement, dated May 24, 2017, and the Sixth Amendment to the Credit Agreement, dated February 1, 2019, providing for an asset-based credit facility (the "ABL Facility") in the amount of up to \$375.0 million. The ABL Facility is secured by a first lien on the inventory and receivables of the Borrowers. The ABL Facility is guaranteed by SiteOne Landscape Supply Bidco, Inc. ("Bidco"), an indirect wholly-owned subsidiary of the Company, and each direct and indirect wholly-owned U.S. restricted subsidiary of Landscape. Availability is determined using borrowing base calculations of eligible inventory and receivable balances. The interest rate on the ABL Facility is LIBOR (as defined in the ABL Credit Agreement) plus an applicable margin ranging from 1.25% to 1.75% or an alternate base rate for U.S. denominated borrowings plus an applicable margin ranging from 0.25% to 0.75%. The interest rates on outstanding balances were 3.21% and 4.10% as of December 29, 2019 and December 30, 2018, respectively. Additionally, the Borrowers paid a commitment fee of 0.25% and 0.25% on the unfunded amount as of December 29, 2019 and December 30, 2018, respectively. As of December 29, 2019, the outstanding balance on the ABL Facility was \$92.8 million with a maturity date of February 1, 2024.

The ABL Facility contains customary representations and warranties and customary affirmative and negative covenants. The negative covenants are limited to the following: limitations on indebtedness, dividends, distributions and other restricted payments, investments, acquisitions, prepayments or redemptions of indebtedness under the Term Loan Facility, amendments of the Term Loan Facility, transactions with affiliates, asset sales, mergers, consolidations, and sales of all or substantially all assets, liens, negative pledge clauses, changes in fiscal periods, changes in line of business, and hedging transactions. The negative covenants are subject to customary exceptions and also permit the payment of dividends and distributions, investments, permitted acquisitions, payments or redemptions of indebtedness under the Term Loan Facility, asset sales and mergers, consolidations, and sales of all or substantially all assets involving subsidiaries upon satisfaction of a "payment condition." The payment condition is deemed satisfied upon 30-day specified excess availability and specified availability exceeding agreed upon thresholds and, in certain cases, the absence of specified events of default or known events of default and pro forma compliance with a consolidated fixed charge coverage ratio of 1.00 to 1.00.

Subject to certain conditions, without the consent of the then existing lenders (but subject to the receipt of commitments), the ABL Facility may be increased (or a new term loan facility added) by up to (i) the greater of (a) \$175.0 million and (b) 100% of Consolidated EBITDA (as defined in the Amended and Restated Term Loan Credit Agreement) for the trailing 12-month period plus (ii) an additional amount that will not cause the net secured leverage ratio after giving effect to the incurrence of such additional amount and any use of proceeds thereof to exceed 5.00 to 1.00.

There are no financial covenants included in the ABL Credit Agreement, other than a springing minimum consolidated fixed charge coverage ratio of at least 1.00 to 1.00, which is tested only when specified availability is less than 10.0% of the lesser of (x) the then applicable borrowing base and (y) the then aggregate effective commitments under the ABL Facility, and continuing until such time as specified availability has been in excess of such threshold for a period of 30 consecutive calendar days.

Failure to comply with the covenants and other provisions included in the ABL Credit Agreement could result in an event of default under the ABL Facility. If an event of default occurs, the lenders could elect to declare all amounts outstanding under the ABL Facility to be immediately due and payable, enforce their interest in collateral pledged under the agreement, or restrict the borrowers' ability to obtain additional borrowings thereunder.

***Limitations on Distributions and Dividends by Subsidiaries***

The ability of our subsidiaries to make distributions and dividends to us depends on their operating results, cash requirements, financial condition, and general business conditions, as well as restrictions under the laws of our subsidiaries' jurisdictions.

The agreements governing the Term Loan Facility and the ABL Facility restrict the ability of our subsidiaries to pay dividends, make loans, or otherwise transfer assets to us. Further, our subsidiaries are permitted under the terms of the Term Loan Facility and the ABL Facility and other indebtedness to incur additional indebtedness that may restrict or prohibit the making of distributions, the payment of dividends, or the making of loans to us.

***Interest Rate Swaps***

We are subject to interest rate risk with regard to existing and future issuances of debt. We utilize interest rate swap contracts to reduce our exposure to fluctuations in variable interest rates for future interest payments on existing debt. We entered into various forward-starting interest rate swap contracts to convert the variable interest rate to a fixed interest rate on portions of the borrowings under the Term Loan Facility. For additional information refer to "Note 8. Long-Term Debt" in the notes to the consolidated financial statements.

We recognize any differences between the variable interest rate payments and the fixed interest rate settlements from the swap counterparties as an adjustment to interest expense over the life of the swaps. We have designated these swaps as cash flow hedges and record the changes in the estimated fair value of the swaps to Accumulated other comprehensive income (loss) on our Consolidated Balance Sheets. To the extent the interest rate swaps are determined to be ineffective, we recognize the changes in the estimated fair value of the swaps in earnings.

Failure of the swap counterparties would result in the loss of any potential benefit to us under the swap agreements. In this case, we would still be obligated to pay the variable interest payments underlying the debt agreements. Additionally, failure of the swap counterparties would not eliminate our obligation to continue to make payments under the existing swap agreements if it continues to be in a net pay position.

***Contractual Obligations***

The following table presents our contractual obligations and commitments as of December 29, 2019:

	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(in millions)				
Long-term debt, including current maturities <sup>(1)</sup>	\$ 534.6	\$ 5.6	\$ 9.0	\$ 520.0	\$ —
Interest on long-term debt <sup>(2)</sup>	118.6	26.4	51.5	40.7	—
Finance leases <sup>(3)</sup>	24.8	7.6	12.2	4.8	0.2
Operating leases <sup>(4)</sup>	295.9	56.0	96.1	57.0	86.8
Purchase obligations <sup>(5)</sup>	153.9	68.6	42.6	5.9	36.8
Total obligations and commitments	<u>\$ 1,127.8</u>	<u>\$ 164.2</u>	<u>\$ 211.4</u>	<u>\$ 628.4</u>	<u>\$ 123.8</u>

- (1) For additional information refer to "Note 8. Long-Term Debt" in the notes to the consolidated financial statements. In addition, the table excludes the debt issuance costs and debt discounts of \$9.7 million.
- (2) The interest on long-term debt includes payments for agent administration fees. Interest payments on debt are calculated for future periods using interest rates in effect as of December 29, 2019. Certain of these projected interest payments may differ in the future based on changes in floating interest rates or other factors and events, including our entry into the Term Loan Facility Amendments. The projected interest payments only pertain to obligations and agreements outstanding as of December 29, 2019. Refer to "Note 8. Long-Term Debt" in the notes to the consolidated financial statements for further information regarding our debt instruments.
- (3) Finance leases consist primarily of leases for delivery vehicles. For additional information refer to "Note 6. Leases" in the notes to the consolidated financial statements.
- (4) Operating leases consist primarily of leases for equipment and real estate including office space, branch locations, and distribution centers. For additional information refer to "Note 6. Leases" in the notes to the consolidated financial statements.



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- (5) Purchase obligations include various commitments with vendors to purchase goods and services, primarily inventory. These purchase obligations are generally cancelable, but we have no intent to cancel and incur a penalty for not meeting the minimum required purchases. In addition, this table excludes purchase obligations of acquisitions made since December 29, 2019.

### **Critical Accounting Policies and Estimates**

Critical accounting policies are those that are both important to the accurate portrayal of a company's consolidated financial statements and require subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

In order to prepare financial statements in accordance with GAAP, we make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may be significantly different from our expectations.

We have identified the following accounting policies that require us to make the most subjective or complex judgments in order to fairly present our consolidated financial statements.

### ***Revenue Recognition***

We recognize revenue when control over a product or service is transferred to a customer. This transfer occurs primarily when goods are picked up by a customer at the branch or when goods are delivered to a customer location. Revenue is measured at the transaction price, which is based on the amount of consideration that we expect to receive in exchange for transferring the promised goods or services to the customer. The transaction price will include estimates of variable consideration, such as returns and provisions for doubtful accounts and sales incentives, to the extent it is probable that a significant reversal of revenue recognized will not occur. In all cases, when a sale is recorded by us, no significant uncertainty exists surrounding the purchaser's obligation to pay. Net sales include billings for freight and handling charges and commissions on the sale of control products that we sell as an agent. Net sales are presented net of any discounts, returns, customer rebates, and sales or other revenue-based taxes. Provisions for returns are estimated and accrued at the time a sale is recognized. We also have entered into agency agreements with certain of our suppliers whereby we operate as a sales agent of those suppliers. The suppliers retain title to their merchandise until it is sold by us and determine the prices at which we can sell their merchandise. We recognize these agency sales on a net basis and record only the product margin as commission revenue within Net sales.

### ***Sales Incentives***

We offer certain customers rebates which are accrued based on sales volumes. In addition, we offer a points-based reward program which allows enrolled customers to earn loyalty rewards on purchases to be used on future purchases, to pay for annual customer trips hosted by us, or to obtain gift cards to other third party retailers. We often receive cash payments from customers in advance of our performance of the customer loyalty reward program resulting in contract liabilities. These contract liabilities are classified as current in our Consolidated Balance Sheets. Contract liabilities are reported on our Consolidated Balance Sheets on a contract-by-contract basis.

### ***Inventory Valuation***

Product inventories represent our largest asset and are recorded at the lower of cost or net realizable value. Our goal is to manage our inventory so that we minimize out of stock positions. To do this, we maintain an adequate inventory of more than 120,000 SKUs and manage inventory at each branch based on sales history. At the same time, we continuously strive to better manage our slower moving classes of inventory. We monitor our inventory levels by branch and record provisions for excess inventories based on slower moving inventory. We define potential excess inventory as the amount of inventory on hand in excess of the historical usage, excluding items purchased in the last three months. We then review our most recent history of sales and adjustments of such excess inventory and apply our judgment as to forecasted demand and other factors, including liquidation value, to determine the required adjustments to net realizable value. In addition, at the end of each year, we evaluate our inventory at each branch and write off and dispose of obsolete products. Our inventories are generally not susceptible to technological obsolescence.

During the year, we perform periodic cycle counts and write off excess or damaged inventory as needed. Prior to year-end, we conduct a physical inventory and record any necessary additional write-offs.

### ***Acquisitions***

From time to time, we enter into strategic acquisitions in an effort to better service existing customers and to attract new customers. When we acquire a controlling financial interest in an entity or group of assets that are determined to meet the definition of a business, we apply the acquisition method described in ASC Topic 805, *Business Combinations*. In accordance with GAAP, the results of the acquisitions we have completed are reflected in our financial statements from the date of acquisition forward.

We allocate the purchase consideration paid to acquire the business to the assets and liabilities acquired based on estimated fair values at the acquisition date, with the excess of purchase price over the estimated fair value of the net assets acquired recorded as goodwill. If during the measurement period (a period not to exceed 12 months from the acquisition date) we receive additional information that existed as of the acquisition date but at the time of the original allocation described above was unknown to us, we make the appropriate adjustments to the purchase price allocation in the reporting period the amounts are determined.

Significant judgment is required to estimate the fair value of intangible assets and in assigning their respective useful lives. Accordingly, we typically engage third-party valuation specialists, who work under the direction of management, for the more significant acquired tangible and intangible assets. The fair value estimates are based on available historical information and on future expectations and assumptions deemed reasonable by management, but are inherently uncertain.

We use the multi-period excess earnings method to estimate the fair value of customer relationship intangible assets, which is based on forecasts of the expected future cash flows attributable to the respective assets and includes the selection of discount rates. Significant estimates and assumptions inherent in the valuations reflect a consideration of other marketplace participants, and include the amount and timing of future cash flows (including expected growth rates and profitability), a brand's relative market position, and the appropriate discount rate applied to the cash flows. Changes in the underlying assumptions and estimates, including the selected discount rates, could have a significant impact on the fair value of intangible assets. Further, unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions.

Determining the useful life of an intangible asset also requires judgment. All of our acquired intangible assets (e.g., customer relationships, trademarks, and non-compete arrangements) are expected to have finite useful lives. Our assessment as to whether trademarks have an indefinite life or a finite life is based on a number of factors including competitive environment, market share, brand history, underlying product life cycles, operating plans, and the macroeconomic environment of the regions in which the brands are sold. Our estimates of the useful lives of finite-lived intangible assets are primarily based on these same factors.

Intangibles assets with finite useful lives are amortized on an accelerated method or a straight-line of amortization over their estimated useful lives. An accelerated amortization method reflecting the pattern in which the asset will be consumed is utilized if that pattern can be reliably determined. If that pattern cannot be reliably determined, a straight-line amortization method is used. We consider the period of expected cash flows and the underlying data used to measure the fair value of the intangible assets when selecting a useful life. The majority of customer relationships are amortized on an accelerated method. Refer to Note 5 for more information regarding intangible assets amortization. The value of residual goodwill is not amortized, but is tested at least annually for impairment as described in the following paragraph.

#### ***Goodwill***

Goodwill represents the acquired fair value of a business in excess of the fair values of tangible and identified intangible assets acquired and liabilities assumed. We test goodwill on an annual basis as of July fiscal month end and additionally if an event occurs or circumstances change that would indicate the carrying amount may be impaired.

The impairment test is a single-step process. The process requires us to estimate and compare the fair value of a reporting unit to its carrying amount, including goodwill. If the fair value exceeds the carrying amount, the goodwill is not considered impaired. To the extent a reporting unit's carrying amount exceeds its fair value, the reporting unit's goodwill is deemed impaired, and an impairment charge is recognized based on the excess of a reporting unit's carrying amount over its fair value. Each of our reporting unit's fair value has substantially exceeded its carrying value at each test date.

#### **Recently Issued and Adopted Accounting Pronouncements**

Refer to Note 1 to our audited consolidated financial statements included in this Annual Report on Form 10-K, for a description of recently issued and adopted accounting pronouncements.

#### **Accounting Pronouncements Issued But Not Yet Adopted**

Refer to Note 1 to our audited consolidated financial statements included in this Annual Report on Form 10-K, for a description of accounting pronouncements that have been issued but not yet adopted.



**Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

**Quantitative and Qualitative Disclosures about Market Risk**

The economy and its impact on discretionary consumer spending, labor wages, fuel, fertilizer, and other material costs, home sales, unemployment rates, insurance costs, foreign exchange, and medical costs could have a material adverse impact on future results of operations.

We are aware of the potentially unfavorable effects inflationary pressures may create through higher asset replacement costs and related depreciation, higher interest rates, and higher material costs.

***Commodity Risk***

Our operating performance may be affected by price fluctuations in commodity-based products like grass seeds, fertilizers, and PVC products that we purchase and sell. We are also exposed to fluctuations in fuel costs as we deliver a substantial portion of the products we sell by truck. We seek to minimize the effects of inflation and changing prices through economies of purchasing and inventory management, resulting in cost reductions and productivity improvements as well as price increases to maintain gross margins.

***Product Price Risk***

Our business model is to buy and sell at current market prices in quantities approximately equal to estimated customer demand. We do not take significant “long” or “short” positions in the products we sell in an attempt to speculate on changes in product prices. Because we maintain inventories in order to serve the needs of our customers, we are subject to the risk of reductions in market prices for the products we hold in inventory; however, we actively manage this risk by adjusting prices and managing our inventory levels.

***Interest Rate Risk***

We are subject to interest rate risk associated with our debt. While changes in interest rates do not affect the fair value of our variable-rate debt, they do affect future earnings and cash flows through higher interest expense. Interest rate swaps are entered into with the objective of converting variable to fixed rate debt, thereby reducing volatility in borrowing costs.

- The ABL Facility bears interest (i) in the case of U.S. dollar-denominated loans, either at LIBOR or an alternate base rate, at our option, plus applicable borrowing margins and (ii) in the case of Canadian dollar denominated loans, either at the Bankers’ Acceptances Rate or the Canadian Prime Rate, at our option, plus applicable borrowing margins. The borrowing margins are defined by a pricing grid, as included in the ABL Facility agreement, based on average excess availability for the previous quarter.
- The Term Loan Facility bears interest at LIBOR (subject to a floor of 1.00%) plus a borrowing margin of 2.75% or an alternate base rate plus a borrowing margin of 1.75% at the borrower’s election.

A 1% increase in interest rates on our variable-rate debt would increase our annual forecasted interest expense by approximately \$1.4 million.

***Credit Risk***

We have a credit policy in place and monitor exposure to credit risk on an ongoing basis. We perform credit evaluations on all customers requesting credit above a specified exposure level. In the normal course of business, we provide credit to our customers, perform ongoing credit evaluations of these customers, and maintain reserves for potential credit losses. Our typical credit terms extend 30 days from the date of purchase, but terms of up to 60 days are not uncommon. We typically have limited risk from a concentration of credit risk as no individual customer represents greater than 10% of the outstanding accounts receivable balance. Bad debt reserves, which we use as a proxy for our bad debt exposure, were approximately 3% of gross receivables as of December 29, 2019.

Investments, if any, are only in liquid securities and only with counterparties with appropriate credit ratings. Transactions involving derivative financial instruments are with counterparties with which we have a signed netting agreement and which have appropriate credit ratings. We do not expect any counterparty to fail to meet its obligations.

**Item 8. Financial Statements and Supplementary Data**

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## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the stockholders and the Board of Directors of SiteOne Landscape Supply, Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of SiteOne Landscape Supply, Inc. and subsidiaries (the "Company") as of December 29, 2019 and December 30, 2018, the related consolidated statements of operations, comprehensive income, equity, and cash flows, for each of the three years in the period ended December 29, 2019, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 29, 2019 and December 30, 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 29, 2019, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 29, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2020, expressed an unqualified opinion on the Company's internal control over financial reporting.

### **Adoption of New Accounting Standard**

As discussed in Note 1 to the financial statements, effective December 31, 2018, the Company adopted FASB Accounting Standards Update 2016-02, *Leases*, using the modified retrospective approach.

### **Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### **Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

**Acquisitions - Customer Relationship Intangible Assets - Refer to Note 1 (Acquisitions and Intangible Assets), Note 3, and Note 5 to the financial statements**

#### *Critical Audit Matter Description*

The Company completed various acquisitions during the year ended December 29, 2019 for an aggregate purchase price of approximately \$70.7 million. The Company accounted for the acquisitions under the acquisition method of accounting for business combinations. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based on their respective fair values, including customer relationship intangible assets of \$24.9 million. Management estimated the fair value of the customer relationship intangible assets using the multi-period excess earnings method, which is a specific discounted cash flow method. The fair value determination of customer relationship intangible assets required management to make significant estimates and assumptions, including the selection of the discount rates. Changes in the discount rates could have a significant impact on the fair value of customer relationship intangible assets.

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We identified the initial valuation of customer relationship intangible assets as a critical audit matter because of the significant estimates and assumptions management makes to determine the fair value of these assets and the sensitivity of the fair value estimate to changes in the discount rates. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists, when performing audit procedures to evaluate the reasonableness of management's selection of the discount rates used in the determination of the initial fair value of the customer relationship intangible assets.

### *How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the selection of the discount rates for the determination of fair value of customer relationship intangible assets included the following, among others:

- We tested the effectiveness of controls over the fair value of the customer relationship intangible assets, including management's controls over the selection of the discount rates.
- For a sample of acquisitions, with the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology and (2) discount rates by:
  - 1) Testing the source information underlying the determination of the discount rates and testing the mathematical accuracy of the calculation.
  - 2) Developing a range of independent estimates and comparing those to the discount rates selected by management.

/s/ Deloitte & Touche LLP

Atlanta, Georgia  
February 26, 2020

We have served as the Company's auditor since 2014.

**SiteOne Landscape Supply, Inc.**  
**Consolidated Balance Sheets**  
(In millions, except share and per share data)

	December 29, 2019	December 30, 2018
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 19.0	\$ 17.3
Accounts receivable, net of allowance for doubtful accounts of \$8.3 and \$5.9 for 2019 and 2018, respectively	283.4	285.3
Inventory, net	427.1	411.7
Income tax receivable	7.0	10.0
Prepaid expenses and other current assets	29.3	41.1
<b>Total current assets</b>	<b>765.8</b>	<b>765.4</b>
Property and equipment, net (Note 4)	104.9	88.4
Operating lease right-of-use assets, net (Note 6)	231.0	—
Goodwill (Note 5)	181.3	148.4
Intangible assets, net (Note 5)	150.6	155.6
Deferred tax assets (Note 1 and Note 9)	1.9	—
Other assets	7.8	10.7
<b>Total assets</b>	<b>\$ 1,443.3</b>	<b>\$ 1,168.5</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 162.2	\$ 184.6
Current portion of finance leases (Note 6)	6.7	5.2
Current portion of operating leases (Note 6)	48.6	—
Accrued compensation	39.7	42.1
Long-term debt, current portion (Note 8)	4.5	4.5
Accrued liabilities	49.1	46.0
<b>Total current liabilities</b>	<b>310.8</b>	<b>282.4</b>
Other long-term liabilities	13.2	14.0
Finance leases, less current portion (Note 6)	16.2	9.5
Operating leases, less current portion (Note 6)	186.3	—
Deferred tax liabilities (Note 1 and Note 9)	3.2	7.1
Long-term debt, less current portion (Note 1 and Note 8)	520.4	553.7
<b>Total liabilities</b>	<b>1,050.1</b>	<b>866.7</b>
Commitments and contingencies (Note 11)		
Stockholders' equity (Note 1):		
Common stock, par value \$0.01; 1,000,000,000 shares authorized; 41,591,727 and 40,910,992 shares issued, and 41,570,816 and 40,890,081 shares outstanding at December 29, 2019 and December 30, 2018, respectively	0.4	0.4
Additional paid-in capital	261.5	242.1
Retained earnings	137.8	60.1
Accumulated other comprehensive loss	(6.5)	(0.8)
<b>Total stockholders' equity</b>	<b>393.2</b>	<b>301.8</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,443.3</b>	<b>\$ 1,168.5</b>

See Notes to Consolidated Financial Statements.



**SiteOne Landscape Supply, Inc.**  
**Consolidated Statements of Operations**  
(In millions, except share and per share data)

	For the year December 31, 2018 to December 29, 2019	For the year January 1, 2018 to December 30, 2018	For the year January 2, 2017 to December 31, 2017
Net sales	\$ 2,357.5	\$ 2,112.3	\$ 1,861.7
Cost of goods sold	1,584.3	1,434.2	1,266.2
<b>Gross profit</b>	<b>773.2</b>	<b>678.1</b>	<b>595.5</b>
Selling, general and administrative expenses	654.3	578.8	502.2
Other income	6.0	8.0	4.5
<b>Operating income</b>	<b>124.9</b>	<b>107.3</b>	<b>97.8</b>
Interest and other non-operating expenses	33.4	32.1	25.2
<b>Income before taxes</b>	<b>91.5</b>	<b>75.2</b>	<b>72.6</b>
Income tax expense	13.8	1.3	18.0
<b>Net income</b>	<b>\$ 77.7</b>	<b>\$ 73.9</b>	<b>\$ 54.6</b>
<b>Net income per common share:</b>			
Basic	\$ 1.89	\$ 1.83	\$ 1.37
Diluted	\$ 1.82	\$ 1.73	\$ 1.29
<b>Weighted average number of common shares outstanding:</b>			
Basic	41,218,843	40,488,196	39,754,595
Diluted	42,750,348	42,633,309	42,193,432

See Notes to Consolidated Financial Statements.

**SiteOne Landscape Supply, Inc.**  
**Consolidated Statements of Comprehensive Income**  
**(In millions)**

	<b>For the year December 31, 2018 to December 29, 2019</b>	<b>For the year January 1, 2018 to December 30, 2018</b>	<b>For the year January 2, 2017 to December 31, 2017</b>
Net income	\$ 77.7	\$ 73.9	\$ 54.6
Foreign currency translation adjustments	0.5	(0.8)	0.5
Unrealized gain (loss) on interest rate swaps, net of taxes of \$2.3, (\$0.2), and (\$0.2), respectively	(6.2)	0.3	0.4
<b>Comprehensive income</b>	<b>\$ 72.0</b>	<b>\$ 73.4</b>	<b>\$ 55.5</b>

See Notes to Consolidated Financial Statements.

**SiteOne Landscape Supply, Inc.**  
**Consolidated Statements of Equity**  
(In millions, shares in thousands)

	Common Stock Shares	Common Stock Amount	Additional Paid-in-Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Equity
<b>Balance at January 1, 2017</b>	<b>39,576.6</b>	<b>\$ 0.4</b>	<b>\$ 219.3</b>	<b>\$ (69.7)</b>	<b>\$ (1.2)</b>	<b>\$ 148.8</b>
Net income	—	—	—	54.6	—	54.6
Other comprehensive income	—	—	—	—	0.9	0.9
Issuance of common shares under stock based compensation plan	379.6	—	2.6	—	—	2.6
Stock based compensation	—	—	5.9	—	—	5.9
<b>Balance at December 31, 2017</b>	<b>39,956.2</b>	<b>\$ 0.4</b>	<b>\$ 227.8</b>	<b>\$ (15.1)</b>	<b>\$ (0.3)</b>	<b>\$ 212.8</b>
Adjustment due to adoption of ASU 2014-09 (Note 1)	—	—	—	1.3	—	1.3
Net income	—	—	—	73.9	—	73.9
Other comprehensive loss	—	—	—	—	(0.5)	(0.5)
Issuance of common shares under stock based compensation plan	933.9	—	6.4	—	—	6.4
Stock based compensation	—	—	7.9	—	—	7.9
<b>Balance at December 30, 2018</b>	<b>40,890.1</b>	<b>\$ 0.4</b>	<b>\$ 242.1</b>	<b>\$ 60.1</b>	<b>\$ (0.8)</b>	<b>\$ 301.8</b>
Net income	—	—	—	77.7	—	77.7
Other comprehensive loss	—	—	—	—	(5.7)	(5.7)
Issuance of common shares under stock based compensation plan	680.7	—	7.7	—	—	7.7
Stock based compensation	—	—	11.7	—	—	11.7
<b>Balance at December 29, 2019</b>	<b>41,570.8</b>	<b>\$ 0.4</b>	<b>\$ 261.5</b>	<b>\$ 137.8</b>	<b>\$ (6.5)</b>	<b>\$ 393.2</b>

See Notes to Consolidated Financial Statements.

**SiteOne Landscape Supply, Inc.**  
**Consolidated Statements of Cash Flows**  
(In millions)

	For the year December 31, 2018 to December 29, 2019	For the year January 1, 2018 to December 30, 2018	For the year January 2, 2017 to December 31, 2017
<b>Cash Flows from Operating Activities:</b>			
Net income	\$ 77.7	\$ 73.9	\$ 54.6
Adjustments to reconcile Net income to net cash provided by operating activities:			
Amortization of finance lease right-of-use assets and depreciation	25.1	21.5	17.6
Stock-based compensation	11.7	7.9	5.9
Amortization of software and intangible assets	34.4	30.8	25.5
Amortization of debt related costs	2.0	3.1	3.0
Loss on extinguishment of debt	0.4	0.7	0.1
(Gain) loss on sale of equipment	0.3	(0.4)	0.6
Deferred income taxes	(3.4)	(7.1)	(16.5)
Other	0.9	(0.6)	0.1
Changes in operating assets and liabilities, net of the effects of acquisitions:			
Receivables	6.1	(43.4)	(40.5)
Inventory	(3.0)	(38.5)	(31.0)
Income tax receivable	3.0	(6.0)	(1.0)
Prepaid expenses and other assets	7.5	(8.9)	(12.2)
Accounts payable	(29.0)	40.4	7.1
Accrued expenses and other liabilities	(2.9)	4.7	3.0
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 130.8</b>	<b>\$ 78.1</b>	<b>\$ 16.3</b>
<b>Cash Flows from Investing Activities:</b>			
Purchases of property and equipment	(19.5)	(14.9)	(14.5)
Purchases of intangible assets	(1.9)	(5.0)	(1.5)
Acquisitions, net of cash acquired	(71.5)	(147.7)	(82.9)
Proceeds from the sale of property and equipment	1.0	3.5	0.3
<b>Net Cash Used In Investing Activities</b>	<b>\$ (91.9)</b>	<b>\$ (164.1)</b>	<b>\$ (98.6)</b>
<b>Cash Flows from Financing Activities:</b>			
Equity proceeds from common stock	8.4	6.7	2.7
Borrowings under term loan	—	447.4	649.5
Repayments under term loan	(4.5)	(350.3)	(598.3)
Borrowings on asset-based credit facility	273.7	406.0	386.4
Repayments on asset-based credit facility	(304.0)	(410.0)	(350.4)
Payments of debt issue costs	(0.9)	(2.4)	(2.2)
Payments on finance lease obligations	(6.5)	(6.2)	(5.1)
Payments of acquisition related contingent obligations	(3.0)	(4.0)	—
Other financing activities	(0.5)	(0.4)	(0.1)
<b>Net Cash (Used In) Provided By Financing Activities</b>	<b>\$ (37.3)</b>	<b>\$ 86.8</b>	<b>\$ 82.5</b>
Effect of exchange rate on cash	0.1	(0.2)	0.2
<b>Net Change In Cash</b>	<b>1.7</b>	<b>0.6</b>	<b>0.4</b>
<b>Cash and cash equivalents:</b>			
Beginning	17.3	16.7	16.3
Ending	<b>\$ 19.0</b>	<b>\$ 17.3</b>	<b>\$ 16.7</b>

**Supplemental Disclosures of Cash Flow Information:**

Cash paid during the year for interest	\$	30.3	\$	26.2	\$	23.9
Cash paid during the year for income taxes	\$	16.0	\$	14.5	\$	35.9

See Notes to Consolidated Financial Statements.

**SiteOne Landscape Supply, Inc.**  
**Notes to Consolidated Financial Statements**

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**Note 1. Nature of Business and Significant Accounting Policies**

**Nature of business:**

SiteOne Landscape Supply, Inc. (hereinafter collectively with all its consolidated subsidiaries referred to as the “Company” or individually as “Holdings”) is a wholesale distributor of irrigation supplies, fertilizer and control products (e.g., herbicides), landscape accessories, nursery goods, hardscapes (including pavers, natural stone, and blocks), outdoor lighting, and ice melt products to green industry professionals. The Company also provides value-added consultative services to complement its product offering and to help customers operate and grow their businesses. Substantially all of the Company’s sales are to customers located in the United States of America (“U.S.”), with less than two percent of sales and total assets in Canada for all periods presented. As of December 29, 2019, the Company had over 550 branches. Based on the nature of the Company’s products and customers’ business cycles, sales are significantly higher in the second and third quarters of each fiscal year.

**Refinancing and Amendments of Term Loan**

On August 14, 2018, the Company amended the Term Loan Facility (the “Fourth Amendment”) to, among other things, (i) add an additional credit facility under the Term Loan Facility consisting of additional term loans (the “Tranche E Term Loans”) in an aggregate principal amount of \$347.4 million and (ii) increase the aggregate principal amount of Tranche E Term Loans under the Term Loan Facility to \$447.4 million. Proceeds of the Tranche E Term Loans were used to, among other things, (i) repay in full the Tranche D Term Loans and (ii) repay approximately \$96.8 million of borrowings outstanding under the ABL Facility.

**Secondary Offerings**

On April 25, 2017, the Company’s registration statement on Form S-1 (Registration No. 333-217327) relating to a secondary offering of its common stock was declared effective by the SEC. On May 1, 2017, the Company completed this secondary offering at a price to the public of \$47.50 per share. In connection with this secondary offering, certain of the Company’s stockholders sold an aggregate of 10,000,000 shares of common stock. The underwriters also exercised their option to purchase an additional 1,500,000 shares of common stock from the selling stockholders at the public offering price less the underwriting discounts and commissions. The selling stockholders received all of the net proceeds and bore all commissions and discounts from the sale of the Company’s common stock. The Company did not receive any proceeds from this secondary offering.

On July 20, 2017, the Company’s shelf registration statement on Form S-3 (Registration No. 333-219370) became effective, registering the offering and sale from time to time, by certain selling stockholders, of 5,437,502 shares of the Company’s common stock. On July 26, 2017, the selling stockholders completed a secondary offering of all such shares at a price to the underwriter of \$51.63 per share. The selling stockholders received all of the net proceeds and bore all commissions and discounts from the sale of the Company’s common stock. The Company did not receive any proceeds from this secondary offering.

## **Basis of Financial Statement Presentation**

Holdings indirectly owns 100% of the membership interest in SiteOne Landscape Supply Holding, LLC (referred to herein as “Landscape Holding”). Landscape Holding is parent and sole owner of SiteOne Landscape Supply, LLC (referred to herein as “Landscape”). Prior to the transaction described below, Deere & Company (“Deere”) was the sole owner of SiteOne Landscape Supply Holding, LLC.

On December 23, 2013 (the “Closing Date”), the Company acquired 100% of the ownership interest in Landscape Holding from Deere in exchange for common shares of the Company initially representing 40% of the outstanding capital stock (on an as-converted basis) plus cash consideration of approximately \$314 million, net of pre-closing and post-closing adjustments. In order to facilitate the transaction, the Company issued Redeemable Convertible Preferred Stock to Clayton, Dubilier & Rice, LLC (“CD&R”) for total consideration of \$174 million initially representing 60% of the outstanding capital stock (on an as-converted basis). As part of the same transaction, Landscape Holding also acquired from Deere the affiliated company LESCO, Inc. (“LESCO”). The Company continues to be the sole owner of Landscape Holding. The aforementioned transactions described in this paragraph are referred to herein as the “CD&R Acquisition”.

Following consummation of the secondary offering on July 26, 2017, CD&R and Deere no longer have an ownership interest in the Company.

The Company’s chief operating decision maker (“CODM”) manages the business as a single reportable segment. Within the organizational framework, the same operational resources support multiple geographical regions and performance is evaluated primarily by the CODM at a consolidated level. The CODM also evaluates regional performance based on financial and operational measures and receives discrete financial information on a regional basis. Since all of the Company’s regions have similar operations and share similar economic characteristics, the Company aggregates regions into a single operating and reportable segment. These similarities include 1) long-term financial performance, 2) the nature of products and services, 3) the types of customers the Company sells to, and 4) the distribution methods used. Further, all of the Company’s product categories have similar supply chain processes, classes of customers, and economic characteristics.

The accompanying audited consolidated financial statements of the Company included herein have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”).

The Consolidated Statements of Operations, Comprehensive income (loss), Equity, and Cash Flows for the Company are presented for the fiscal years ended December 29, 2019, December 30, 2018, and December 31, 2017. The consolidated financial statements for the Company include the assets and liabilities used in operating the Company’s business, including entities in which the Company owns or controls more than 50% of the voting shares. All of the Company’s subsidiaries are wholly owned. All intercompany balances and transactions have been eliminated in consolidation.

### **Significant accounting policies:**

Use of estimates in the preparation of financial statements: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fiscal year: The Company’s fiscal year is a 52- or 53-week period ending on the Sunday nearest to December 31. The years ended December 29, 2019, December 30, 2018, and December 31, 2017 each included 52 weeks.

Cash and cash equivalents: Cash and cash equivalents include primarily cash on deposit with banks which, at times, may exceed federally insured limits. The Company has not experienced any losses in these accounts. Cash and cash equivalents also include unsettled credit card transactions.

Accounts receivable: The Company carries accounts receivable at the original invoice amount, less any charge-offs and the allowance for credit losses and doubtful accounts. Allowances for credit losses and doubtful accounts are maintained in amounts considered to be appropriate in relation to the receivables outstanding based on collection experience, economic conditions, and credit risk quality. Receivables are written-off to the allowance when an account is considered uncollectible.

Activity in the allowance for doubtful accounts for the periods was as follows (in millions):

	For the year December 31, 2018 to December 29, 2019	For the year January 1, 2018 to December 30, 2018	For the year January 2, 2017 to December 31, 2017
Beginning balance	\$ 5.9	\$ 4.7	\$ 4.3
Provision (reduction) for allowance	5.9	2.9	2.0
Write-offs, net of recoveries	(3.5)	(1.7)	(1.6)
Ending balance	\$ 8.3	\$ 5.9	\$ 4.7

**Inventory:** The majority of the Company's inventories are valued at the lower of cost or net realizable value, with cost determined by the first-in, first-out ("FIFO") method. Inventory is primarily considered to be finished goods. The Company establishes a reserve for excess, slow-moving, and obsolete inventory that is equal to the difference between the cost and estimated net realizable value for that inventory. These reserves are based on a review of planned and historical sales. The reserve for obsolete and excess inventory was approximately \$8.0 million and \$6.8 million as of December 29, 2019 and December 30, 2018, respectively.

**Property and equipment, net:** Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed on property and equipment using the straight-line method over the estimated useful lives of the assets, as noted below. Leasehold improvements are depreciated over the lesser of their estimated useful lives or the remaining lease terms. The amortization of the right-of-use assets under finance leases, which prior to fiscal year 2019 were known as capital leases, is included in amortization expense. Expenditures for replacement or major renewals of significant items are capitalized. Expenditures for maintenance, repairs, and minor renewals are generally charged to expense as incurred.

Asset Class	Estimated Useful Life
Buildings and improvements	20 years
Branch equipment	2 to 12 years
Furniture and fixtures	2 to 12 years
Auto and truck	2 to 6 years
Tooling	7 years
Leasehold improvements	Shorter of the estimated useful life or the term of the lease, considering renewal options expected to be exercised.

**Acquisitions:** When the Company acquires a controlling financial interest in an entity or group of assets that are determined to meet the definition of a business, the acquisition method described in ASC Topic 805, *Business Combinations*, is applied. The Company allocates the purchase consideration paid to acquire the business to the assets and liabilities acquired based on estimated fair values at the acquisition date, with the excess of purchase price over the estimated fair value of the net assets acquired recorded as goodwill. If during the measurement period (a period not to exceed 12 months from the acquisition date) the Company receives additional information that existed as of the acquisition date but at the time of the original allocation described above was unknown, the Company makes the appropriate adjustments to the purchase price allocation in the reporting period in which the adjustments are identified.

**Goodwill impairment:** Goodwill represents the acquired fair value of a business in excess of the fair values of tangible and identified intangible assets acquired and liabilities assumed. The Company tests goodwill on an annual basis as of July fiscal month-end and additionally if an event occurs or circumstances change that would indicate the carrying amount may be impaired. Examples of such indicators include a significant change in the business climate, unexpected competition, loss of key personnel or a decline in the Company's market capitalization below the Company's net book value. The Company performs impairment assessments at the reporting unit level, which is defined as an operating segment or one level below an operating segment, also known as a component.

With the issuance of Accounting Standards Update 2017-04 *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* ("ASU 2017-04") in January 2017, the impairment test is now a single-step process. The process requires the Company to estimate and compare the fair value of a reporting unit to its carrying amount, including goodwill. If the fair value exceeds the carrying amount, the goodwill is not considered impaired. To the extent a reporting unit's carrying amount exceeds its fair value, the reporting unit's goodwill is deemed impaired, and an impairment charge is recognized based on the excess of a reporting unit's carrying amount over its fair value. The Company adopted ASU 2017-04 in July 2017 with its annual goodwill impairment test. No impairment of goodwill has occurred during the periods presented. Refer to [Note 5](#) for a more detailed description of goodwill.



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**Intangible assets, net:** Intangible assets include customer relationships, and trademarks and other intangibles, acquired through acquisitions. The fair value of customer relationships is determined using the multi-period excess earnings method, which is a specific discounted cash flow method that requires management to make significant estimates and assumptions, including the selection of the discount rates. Intangibles assets with finite useful lives are amortized on an accelerated method or a straight-line of amortization over their estimated useful lives. An accelerated amortization method reflecting the pattern in which the asset will be consumed is utilized if that pattern can be reliably determined. If that pattern cannot be reliably determined, a straight-line amortization method is used. The Company considers the period of expected cash flows and the underlying data used to measure the fair value of the intangible assets when selecting a useful life. The majority of customer relationships are amortized on an accelerated method. Refer to Note 5 for more information regarding intangible assets amortization.

**Impairment of long-lived assets:** Long-lived assets, primarily property and equipment, finite-lived intangible assets, and long-term contracts included in other assets, are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset group may not be recoverable. The recoverability of an asset group is measured by a comparison of the carrying amount of the asset group to its future undiscounted cash flows.

If the recoverability test indicates the asset group balances are not recoverable, the Company would recognize an impairment charge to reduce the long-lived asset balances based on the fair value of the asset group. The amount of such impairment would be charged to operations in the current period. There were no impairment charges recognized during the years ended December 29, 2019, December 30, 2018, and December 31, 2017.

**Fair value measurement:** Fair value is defined as an exit price, representing an amount that would be received to sell an asset or the amount paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The inputs used to measure fair value are prioritized into the following three-tiered value hierarchy:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active or inputs, other than quoted prices in active markets, which are observable either directly or indirectly.
- Level 3: Unobservable inputs for which there is little or no market data.

The hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The classification of fair value measurement within the hierarchy is based upon the lowest level of input that is significant to the measurement.

The Company's financial instruments consist of cash and cash equivalents, accounts receivables, and long-term debt. The variable interest rate on the long-term debt is reflective of current market borrowing rates. As such, the Company has determined that the carrying value of these financial instruments approximates fair value.

**Interest Rate Swaps:** The Company utilizes interest rate swap contracts to reduce its exposure to fluctuations in variable interest rates for future interest payments on its syndicated senior Term Loan Facility. For determining the fair value of the interest rate swap contracts, the Company uses significant observable market data or assumptions (Level 2 inputs) that market participants would use in pricing similar assets or liabilities, including assumptions about counterparty risk. The fair value estimates reflect an income approach based on the terms of the interest rate swap contracts and inputs corroborated by observable market data including interest rate curves. The Company has designated these swaps as cash flow hedges, for which the Company records the effective portions of changes in the fair value, net of tax, in other comprehensive income (loss). To the extent the interest rate swaps are determined to be ineffective, the Company recognizes the changes in the estimated fair value of the swaps in earnings.

**Revenue recognition:** The Company recognizes revenue when control over a product or service is transferred to a customer. This transfer occurs primarily when goods are picked up by a customer at the branch or when goods are delivered to a customer location. Revenue is measured at the transaction price, which is based on the amount of consideration the Company expects to receive in exchange for transferring the promised goods or services to the customer. The transaction price will include estimates of variable consideration, such as returns and provisions for doubtful accounts and sales incentives, to the extent it is probable that a significant reversal of revenue recognized will not occur. In all cases, when a sale is recorded by the Company, no significant uncertainty exists surrounding the purchaser's obligation to pay. Net sales include billings for freight and handling charges and commissions on the sale of control products that we sell as an agent. Net sales are presented net of any discounts, returns, customer rebates, and sales or other revenue-based taxes. Provisions for returns are estimated and accrued at the time a sale is recognized. The Company also has entered into agency agreements with certain of its suppliers whereby the Company operates as a sales agent of those suppliers. The suppliers retain title to their merchandise until it is sold by the Company and determine the prices at which the Company can sell their merchandise. The Company recognizes these agency sales on a net basis and records only the product margin as commission revenue within Net sales.

**Sales incentives:** The Company offers certain customers rebates which are accrued based on sales volumes. In addition, the Company offers a points-based reward program which allows enrolled customers to earn loyalty rewards on purchases to be used on future purchases, to pay for annual customer trips hosted by the Company, or to obtain gift cards to other third-party retailers. The Company often receives cash payments from customers in advance of the Company's performance of the customer loyalty reward program resulting in contract liabilities. These contract liabilities are classified as current in the Company's Consolidated Balance Sheets. Contract liabilities are reported on the Company's Consolidated Balance Sheets on a contract-by-contract basis.

**Sales taxes:** The Company collects and remits taxes assessed by different governmental authorities that are both imposed on and concurrent with revenue producing transactions between the Company and its customers. These taxes may include sales, use, value-added, and some excise taxes. The Company reports the collection of these taxes on a net basis (excluded from sales).

**Cost of goods sold:** Cost of goods sold includes all inventory costs, such as purchase price from suppliers, net of any volume-based incentives, as well as inbound freight and handling, and other costs associated with the inventory, and is exclusive of the costs to deliver the products to customers.

**Shipping and handling costs:** Shipping and handling costs associated with inbound freight are included in Cost of goods sold.

**Warranty reserves:** Provisions for estimated warranty costs for the return of nursery products are provided for in the same period the related sales are recorded. The Company offers product warranties on selected nursery items. The warranty reserve is based on historical and current trends. The warranty reserve included in Accrued liabilities was approximately \$0.2 million and \$0.5 million as of December 29, 2019 and December 30, 2018, respectively.

**Leases:** The Company determines if an arrangement is a lease at inception of a contract. The Company leases equipment and real estate including office space, branch locations, and distribution centers under operating leases. Finance lease obligations consist primarily of the Company's vehicle fleet. Most real estate leases include one or more options to renew, with renewal terms that can extend the lease term from 1 to 5 years or more. The exercise of lease renewal options is at the Company's sole discretion. Certain leases include options to purchase the leased property. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Leases with an initial term of 12 months or less are not recorded in the Consolidated Balance Sheets. The Company has elected the practical expedient to account for each separate lease component of a contract and its associated non-lease components as a single lease component. The Company also elected the package of practical expedients, which among other things, allows the Company to carry forward historical lease classification. Variable lease payment amounts that cannot be determined at the commencement of the lease such as increases in lease payments based on changes in index rates or usage, are not included in the ROU assets or lease liabilities. These payments are expensed as incurred and recorded as variable lease expense.

ROU assets represent the Company's right to use an underlying asset during the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the net present value of fixed lease payments over the lease term. ROU assets also include any advance lease payments and are adjusted for lease incentives. As most of the Company's operating leases do not provide an implicit rate, the Company uses an incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. Finance lease agreements generally include an interest rate that is used to determine the present value of future lease payments. Operating fixed lease expense and finance lease amortization expense are recognized on a straight-line basis over the lease term. Refer to Note 6 for further details regarding leases.

**Advertising costs:** Advertising costs are charged to expense as incurred and were approximately \$3.3 million, \$3.1 million, and \$2.1 million, during the years ended December 29, 2019, December 30, 2018, and December 31, 2017, respectively.

**Stock-based compensation:** The Company applies the fair value method to recognize compensation expense for stock-based awards. Using this method, the estimated grant-date fair value of the award is recognized on a straight-line basis over the requisite service period based on the portion of the award that is expected to vest.

Stock-based compensation expense for restricted stock units is measured based on the fair value of the Company's common stock on the grant date. The Company utilizes the Black-Scholes option pricing model to estimate the grant-date fair value of option awards. The exercise price of option awards is set to equal the value of the common stock at the date of the grant. The following weighted-average assumptions are also used to calculate the estimated fair value of option awards:

- **Expected volatility:** The expected volatility of the Company's shares is estimated using the historical stock price volatility over the most recent period commensurate with the estimated expected term of the awards.

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- Expected term: For employee stock option awards, the Company determines the weighted average expected term equal to the weighted period between the vesting period and the contract life of all outstanding options.
- Dividend yield: The Company has not paid dividends and does not anticipate paying a cash dividend in the foreseeable future and, accordingly, uses an expected dividend yield of zero.
- Risk-free interest rate: The Company bases the risk-free interest rate on the implied yield available on a U.S. Treasury note with a term equal to the estimated expected term of the awards.

Refer to Note 7 for further details regarding stock-based compensation.

Other income: Other income consists primarily of financing charges, net gain/loss on sale of assets, and the fair value adjustments of acquisition related contingent obligations.

Income taxes: The Company files a consolidated federal income tax return and files both combined or unitary state income tax returns as well as separate state income tax returns in certain jurisdictions. Deferred taxes are provided on an asset and liability method in which deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. Realization of deferred tax assets is dependent upon sufficient future taxable income.

The Company's operations involve dealing with uncertainties and judgments in the application of complex tax regulations in a multitude of jurisdictions. The Company reports a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return based on its estimate of whether, and the extent to which, additional taxes will be due. The Company recognizes interest, if any, related to unrecognized tax benefits within Interest and other non-operating expenses, and recognizes penalties in Selling, general and administrative expenses.

In December 2017, the Tax Cuts and Jobs Act (the "2017 Tax Act") was enacted, which included several changes to existing U.S. tax laws that impacted the Company, most notably a reduction of the U.S. corporate income tax rate from 35% to 21%. The reduced tax rate is reflected in the Company's Income tax expense for the years ended December 29, 2019, and December 30, 2018, respectively. In addition, the 2017 Tax Act provided a substantial deferred tax benefit, as part of the Company's overall Income tax expense, for the year ended December 31, 2017. Refer to Note 9 for further information pertaining to income taxes.

Foreign currency translation: The functional currency for the Company's Canadian operations is the Canadian dollar, the local currency. The assets and liabilities of these operations are translated into U.S. dollars at the end of the period exchange rates. The revenues and expenses are translated at average exchange rates for the period. The gains or losses from these translations are recorded in other comprehensive income (loss). Gains or losses recognized on transactions denominated in a currency other than the functional currency are included in Net income (loss).

### ***Recently Issued and Adopted Accounting Pronouncements***

In July 2015, the Financial Accounting Standards Board ("FASB") issued ASU 2015-11, "*Inventory (Topic 330): Simplifying the Measurement of Inventory*" ("ASU 2015-11"), which requires entities to measure inventory at the lower of cost or net realizable value rather than at the lower of cost or market. Net realizable value is defined as the estimated selling price in the ordinary course of business less reasonably predictable costs of completion, disposal and transportation. The Company adopted ASU 2015-11 when it became effective in the first quarter of the 2017 Fiscal Year. The adoption of ASU 2015-11 did not have a material impact on the Company's consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, "*Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*" ("ASU 2016-09"), which simplifies several aspects of the accounting for employee share-based payment transactions for both public and nonpublic entities, including the accounting for income taxes, forfeitures and statutory tax withholding requirements, as well as classification in the statement of cash flows. The Company adopted ASU 2016-09 when it became effective in the first quarter of fiscal year 2017 on a prospective basis and as such, the Company's prior year presentation has not changed. The primary impact of the adoption was the recognition of excess tax benefits as a component of Income tax expense on the Company's Consolidated Statements of Operations. Historically, these amounts were recorded as Additional paid-in capital in Stockholders' equity on the Company's Consolidated Balance Sheets. The Company also elected to adopt the cash flow presentation of the excess tax benefits prospectively commencing in the first quarter of 2017. The Company presents excess tax benefits or tax deficiencies within operating

cash flows versus financing activities on the Consolidated Statements of Cash Flows. Another impact of the adoption is that the calculation of the effect of dilutive securities excludes any derived excess tax benefits or deficiencies from assumed future proceeds, resulting in an increase in diluted weighted average shares outstanding. Additionally, the Company elected to account for forfeitures of share-based payments as they occur and there was no material financial impact as a result. None of the other provisions in ASU 2016-09 had a material impact on the Company's consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU 2017-04, "*Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*" ("ASU 2017-04"), which eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge (also known as Step 2 under the current guidance). Rather, the measurement of a goodwill impairment charge is based on the excess of a reporting unit's carrying value over its fair value (Step 1 under the current guidance). ASU 2017-04 will be effective for annual and interim goodwill impairment tests performed in periods beginning after December 15, 2019 and should be applied prospectively. Early adoption is permitted for annual and interim goodwill impairment tests beginning after January 1, 2017. The Company adopted ASU 2017-04 in July 2017 with its annual goodwill impairment test. The adoption of ASU 2017-04 did not have a material impact on the Company's consolidated financial statements and related disclosures.

In August 2017, the FASB issued ASU 2017-12, "*Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*" ("ASU 2017-12"), which seeks to improve the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. Additionally, ASU 2017-12 made certain targeted improvements to simplify the application of the hedge accounting guidance in current U.S. GAAP based on the feedback received from preparers, auditors, users, and other stakeholders. ASU 2017-12 added new disclosure requirements, amended existing ones, and removed the requirement for entities to disclose amounts of hedge ineffectiveness. In addition, an entity must provide tabular disclosures regarding: both (i) the total amounts reported in the statement of financial performance for each income and expense line item that is affected by fair value or cash flow hedging and (ii) the effects of hedging on those line items; and the carrying amounts and cumulative basis adjustments of items designated and qualifying as hedged items in fair value hedges. Early adoption is permitted in any interim period after issuance of ASU 2017-12. The Company adopted ASU 2017-12 in the third quarter of the 2017 Fiscal Year. The adoption of ASU 2017-12 did not have a material impact on the Company's consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, "*Revenue from Contracts with Customers (Topic 606)*" ("ASU 2014-09"), which amends existing revenue recognition standards and establishes a new Accounting Standards Codification ("ASC") Topic 606. The core principle of this amendment is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services. The Company adopted ASU 2014-09 and related amendments in the first quarter of fiscal year 2018 using the modified retrospective transition method. The Company concluded that it had substantially similar performance obligations under the amended guidance as compared with deliverables and units of account previously recognized. Additionally, the Company made policy elections within the amended standard that are consistent with its current accounting. The adoption of ASU 2014-09 resulted in additional revenue recognition disclosures (refer to [Note 2](#)), and had an immaterial impact on the timing of revenue recognition related to its customer loyalty rewards program. The Company recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings in the first quarter of 2018. The adoption of ASC 606 did not have a significant impact on the Company's consolidated financial statements. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

In August 2016, the FASB issued ASU 2016-15, "*Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*" ("ASU 2016-15"), to provide clarification on cash flow classification related to eight specific issues including debt prepayment or debt extinguishment costs and contingent consideration payments made after a business combination. The guidance in ASU 2016-15 required adoption using a retrospective transition method to each period presented. The Company adopted ASU 2016-15 when it became effective in the first quarter of fiscal year 2018. The adoption of ASU 2016-15 did not have a material impact on the Company's consolidated financial statements and related disclosures.

In October 2016, the FASB issued ASU 2016-16, "*Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*" ("ASU 2016-16"), which amends existing guidance to require entities to recognize income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. ASU 2016-16 required adoption using a modified retrospective method. The Company adopted ASU 2016-16 when it became effective in the first quarter of fiscal year 2018. The adoption of ASU 2016-16 did not have a material impact on the Company's consolidated financial statements and related disclosures.

In November 2016, the FASB issued ASU 2016-18, "*Statement of Cash Flows (Topic 230): Restricted Cash*" ("ASU 2016-18"), which requires restricted cash and restricted cash equivalents to be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Transfers between cash and cash equivalents and restricted cash or restricted cash equivalents are not reported as cash flow activities in the statement of cash flows. ASU 2016-18 required adoption using a retrospective transition method. The Company adopted ASU 2016-18 when it became effective in the first quarter of

fiscal year 2018. The adoption of ASU 2016-18 did not have a material impact on the Company's consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU 2017-01, "*Business Combinations (Topic 805): Clarifying the Definition of a Business*" ("ASU 2017-01"), to clarify the definition of a business to assist entities with evaluating whether transactions should be accounted for as acquisitions of assets or businesses. ASU 2017-01 provides a screen to determine when an integrated set of assets and activities (collectively a "set") is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. If the screen is not met, the amendments in ASU 2017-01 (i) require that to be considered a business, a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output and (ii) remove the evaluation of whether a market participant could replace missing elements. ASU 2017-01 required adoption on a prospective basis. The Company adopted ASU 2017-01 when it became effective in the first quarter of fiscal year 2018. The adoption of ASU 2017-01 did not have a material impact on the Company's consolidated financial statements and related disclosures.

In May 2017, the FASB issued ASU 2017-09, "*Compensation-Stock Compensation (Topic 718) - Scope of Modification*" ("ASU 2017-09"), which provides clarity and reduces both diversity in practice and cost and complexity when applying the guidance in Topic 718 when there are changes to the terms or conditions of a share-based payment award. The amendments in ASU 2017-09 provide guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. ASU 2017-09 required adoption on a prospective basis. The Company adopted ASU 2017-09 when it became effective in the first quarter of fiscal year 2018. The adoption of ASU 2017-09 did not have a material impact on the Company's consolidated financial statements and related disclosures.

In March 2018, the FASB issued ASU 2018-05, "*Income Taxes (Topic 740), Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118*" ("ASU 2018-05"), which was effective immediately. ASU 2018-05 adds various SEC paragraphs pursuant to the issuance in December 2017 of Staff Accounting Bulletin No. 118 ("SAB 118"). The SEC issued SAB 118 to address concerns about reporting entities' ability to timely comply with the accounting requirements to recognize all of the effects of the 2017 Tax Act in the period of enactment. SAB 118 allowed disclosure that some or all of the income tax effects from the 2017 Tax Act were incomplete by the due date of the financial statements and requested entities to provide a reasonable estimate if possible. In fiscal 2017, the Company recorded provisional amounts for the income tax effects of the 2017 Tax Act. In 2018, the Company completed its accounting for the income tax effects of the 2017 Tax Act.

In February 2016, the FASB issued ASU 2016-02, "*Leases (Topic 842)*," amended by subsequent ASUs (collectively "ASC 842"), which supersedes the guidance for recognition, measurement, presentation and disclosures of lease arrangements. The amended standard requires recognition on the balance sheet for all leases with terms longer than 12 months as a lease liability and as a right-of-use ("ROU") asset. The lease liability is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and the ROU asset is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The Company adopted ASC 842 when it became effective in the first quarter of fiscal year 2019 using a modified transition approach under which prior comparative periods were not adjusted. The Company elected the package of practical expedients, which permits not reassessing its prior conclusions about lease identification, lease classification, and initial direct costs. In addition, the Company made the election for certain classes of underlying assets to not separate non-lease components from lease components. However, the Company did not elect the lease term hindsight practical expedient. For leases less than 12 months, the Company made an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities as permitted by the guidance. The adoption of the new standard had a material impact on the Company's Consolidated Balance Sheets, but an immaterial impact on its Consolidated Statements of Operations and Consolidated Statements of Cash Flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases, while the accounting for finance leases remained substantially unchanged.

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The impact to the Consolidated Balance Sheets as of December 31, 2018 for the adoption of ASC 842 was as follows (in millions):

	December 30, 2018	Adjustments Due to ASC 842	December 31, 2018
<b>Assets</b>			
Prepaid expenses and other current assets	\$ 41.1	\$ (4.7)	\$ 36.4
Operating lease right-of-use assets, net	—	203.8	203.8
Other assets	10.7	(0.6)	10.1
<b>Liabilities</b>			
Accrued liabilities	46.0	(0.9)	45.1
Current portion of operating leases	—	40.9	40.9
Other long-term liabilities	14.0	(7.1)	6.9
Operating leases, less current portion	—	165.6	165.6

In February 2018, the FASB issued ASU 2018-02, *“Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income”* (“ASU 2018-02”). The FASB is providing ongoing guidance on certain accounting and tax effects of the legislation in the Tax Cuts and Jobs Act (the “2017 Tax Act”), which was enacted in December 2017. ASU 2018-02 allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the 2017 Tax Act. The amendments in ASU 2018-02 also require certain disclosures about stranded tax effects. The Company adopted ASU 2018-02 when it became effective in the first quarter of fiscal year 2019. The Company has elected to not reclassify stranded tax effects resulting from the 2017 Tax Act. The adoption of ASU 2018-02 did not have a material impact on the Company’s consolidated financial statements and related disclosures.

In June 2018, the FASB issued ASU 2018-07, *“Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting”* (“ASU 2018-07”) which simplifies the accounting for nonemployee share-based payment transactions by expanding the scope of ASC Topic 718, *Compensation - Stock Compensation*, to include share-based payment transactions for acquiring goods and services from nonemployees. Under ASU 2018-07, most of the guidance on stock compensation payments to nonemployees is aligned with the requirements for share-based payments granted to employees. The Company adopted ASU 2018-07 when it became effective in the first quarter of fiscal year 2019. The adoption of ASU 2018-07 did not have a material impact on the Company’s consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU 2018-15, *“Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (a consensus of the FASB Emerging Issues Task Force)”* (“ASU 2018-15”) which amends ASC 350-40 to address a customer’s accounting for implementation costs incurred in a cloud computing arrangement (“CCA”) that is a service contract. ASU 2018-15 amends ASC 350 and clarifies that a customer should apply ASC 350-40 to determine which implementation costs should be capitalized in a CCA. The ASU does not expand on existing disclosure requirements except to require a description of the nature of hosting arrangements that are service contracts. Entities are permitted to apply either a retrospective or prospective transition approach to adopt the guidance. The Company early adopted the amended guidance on a prospective application basis during the first quarter of fiscal year 2019. The adoption of ASU 2018-15 did not have a material impact on the Company’s consolidated financial statements and related disclosures.

In October 2018, the FASB issued ASU 2018-16, *“Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes”* (“ASU 2018-16”). ASU 2018-16 allows for the use of the OIS rate based on the SOFR as a U.S. benchmark interest rate for hedge accounting purposes under Topic 815, *Derivatives and Hedging*. The Company adopted ASU 2018-16 when it became effective in the first quarter of fiscal year 2019. The adoption of ASU 2018-16 did not have a material impact on the Company’s consolidated financial statements and related disclosures.

In July 2019, the FASB issued ASU 2019-07, *“Codification Updates to SEC Sections - Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10532, Disclosure Update and Simplification, and Nos. 33-10231 and 33-10442, Investment Company Reporting Modernization and Miscellaneous Updates (SEC Update)”* (“ASU 2019-07”). ASU 2019-07 clarifies or improves the disclosure and presentation requirements of a variety of codification topics by aligning them with the SEC’s regulations, thereby eliminating redundancies and making the codification easier to apply. ASU 2019-07 is effective upon issuance and did not have a material impact on the Company’s consolidated financial statements and related disclosures.

**Accounting Pronouncements Issued But Not Yet Adopted**

In June 2016, the FASB issued ASU 2016-13, “*Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments*,” amended by subsequent ASUs (collectively, “ASU 2016-13”), which changes the way companies evaluate credit losses for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities will be required to use a new forward-looking “expected loss” model to evaluate impairment, potentially resulting in earlier recognition of allowances for losses. The new standard also requires enhanced disclosures, including the requirement to disclose the information used to track credit quality by year of origination for most financing receivables. The amendments should be applied on either a prospective transition or modified-retrospective approach depending on the subtopic. The Company will adopt the amended guidance commencing in the first quarter of fiscal year 2020. The Company does not expect the adoption of ASU 2016-13 to have a material impact on its consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU 2018-13, “*Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*” (“ASU 2018-13”) which changes the fair value measurement disclosure requirements of ASC 820. The ASU adds new disclosure requirements and eliminates and modifies existing disclosure requirements. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments in ASU 2018-13 should be applied retrospectively to all periods presented. ASU 2018-13 will be effective for the Company commencing in the first quarter of fiscal year 2020. The Company will adopt the amended guidance commencing in the first quarter of fiscal year 2020. The Company does not expect the adoption of ASU 2018-13 to have a material impact on its consolidated financial statements and related disclosures.

In December 2019, the FASB issued ASU 2019-12, “*Simplifying the Accounting for Income Taxes*” (“ASU 2019-12”). The amendments in ASU 2019-12 simplify the accounting for income taxes by removing certain exceptions to the general principles in ASC Topic 740, Income Taxes. The amendments also improve consistent application of and simplify U.S. GAAP for other areas of ASC Topic 740 by clarifying and amending existing guidance. ASU 2019-12 will be effective for the Company commencing in the first quarter of fiscal year 2021 with early adoption permitted. The transition requirements are dependent upon each amendment within this update and will be applied either prospectively or retrospectively. The Company is currently evaluating the amended guidance and the impact on its consolidated financial statements and related disclosures.

**Note 2. Revenue from Contracts with Customers**

The following table presents Net sales disaggregated by product category:

	For the year December 31, 2018 to December 29, 2019	For the year January 1, 2018 to December 30, 2018	For the year January 2, 2017 to December 31, 2017
Landscaping products <sup>(a)</sup>	\$ 1,670.7	\$ 1,468.4	\$ 1,265.4
Agronomic and other products <sup>(b)</sup>	686.8	643.9	596.3
	<u>\$ 2,357.5</u>	<u>\$ 2,112.3</u>	<u>\$ 1,861.7</u>

(a) Landscaping products include irrigation, nursery, hardscapes, outdoor lighting, and landscape accessories.

(b) Agronomic and other products include fertilizer, control products, ice melt, equipment, and other products.

***Remaining Performance Obligations***

Remaining performance obligations related to ASC 606 represent the aggregate transaction price allocated to performance obligations with an original contract term greater than one year which are fully or partially unsatisfied at the end of the period. Remaining performance obligations include the outstanding points balance related to the customer loyalty reward program. The program allows enrolled customers to earn loyalty rewards on purchases to be used on future purchases, to pay for annual customer trips hosted by the Company, or to obtain gift cards to other third-party retailers.

As of December 29, 2019, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately \$6.5 million. The Company expects to recognize revenue on the remaining performance obligations over the next 12 months.

***Contract Balances***

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable, deferred revenue, and billings in excess of revenue recognized in the Company's Consolidated Balance Sheets.

***Contract liabilities***

As of December 29, 2019 and December 30, 2018, contract liabilities were \$6.5 million and \$7.4 million, respectively, and are included within Accrued liabilities in the accompanying Consolidated Balance Sheets. The decrease in the contract liability balance during the year ended December 29, 2019 is primarily a result of the \$8.8 million of revenue recognized and the expiration of points related to the customer loyalty reward program during the period, partially offset by cash payments received in advance of satisfying performance obligations.

**Note 3. Acquisitions**

From time to time the Company enters into strategic acquisitions in an effort to better service existing customers and to attract new customers. The Company made various acquisitions during the years ended December 29, 2019, December 30, 2018, and December 31, 2017. The following acquisitions had an aggregate purchase price of approximately \$70.7 million, \$148.9 million, \$83.1 million, and deferred contingent consideration of approximately \$6.4 million, \$5.7 million, and \$5.0 million, for the years ended December 29, 2019, December 30, 2018, and December 31, 2017, respectively. The aggregate assets acquired were approximately \$69.5 million, \$142.2 million, and \$67.6 million, aggregate liabilities assumed were approximately \$22.1 million, \$29.3 million, and \$15.4 million, and excess purchase price attributed to goodwill acquired were approximately \$29.7 million, \$41.7 million, and \$35.9 million for the years ended December 29, 2019, December 30, 2018, and December 31, 2017, respectively. The Company has completed the acquisition accounting for each acquisition made during the 2017, Fiscal Year the 2018 Fiscal Year, and the acquisition of Cutting Edge Curbing Sand & Rock in January 2019, All Pro Horticulture, Inc. in February 2019, Landscape Depot, Inc. in April 2019, and Fisher's Landscape Depot in April 2019. The Company has recorded preliminary acquisition accounting transactions for the remaining acquisitions completed during the 2019 Fiscal Year their estimated fair values as of the respective acquisition dates.

- In December 2019, the Company acquired the assets and assumed the liabilities of Daniel Stone & Landscaping Supplies, Inc. ("Daniel Stone"). With one location in the greater Austin, Texas market, Daniel Stone is a distributor of hardscapes and landscape supplies to landscape professionals.
- In December 2019, the Company acquired all of the members' interests of Dirt Doctors, Inc. ("Dirt Doctors"). With three locations in the greater New England market, Dirt Doctors is a distributor of hardscapes and landscape supplies to landscape professionals.
- In September 2019, the Company acquired the assets and assumed the liabilities of Design Outdoor, Inc. ("Design Outdoor"). With one location in the greater Reno/Lake Tahoe, Nevada area, Design Outdoor is a distributor of hardscapes products to landscape professionals.
- In August 2019, the Company acquired the assets and assumed the liabilities of Trendset Concrete Products, Inc. ("Trendset"). With one location in the greater Seattle, Washington market, Trendset is a distributor of hardscapes products to landscape professionals.
- In July 2019, the Company acquired the assets and assumed the liabilities of L.H. Voss Materials Dublin and its affiliates, Mt. Diablo Landscape Centers and Clark's Home & Garden (collectively, "Voss"). With five locations across the East Bay in Northern California, Voss is a distributor of hardscapes and landscape supplies to landscape professionals.



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- In May 2019, the Company acquired the assets and assumed the liabilities of Stone and Soil Depot, Inc. (“Stone and Soil”). With three locations in the greater San Antonio, Texas market, Stone and Soil is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals.
- In April 2019, the Company acquired the assets and assumed the liabilities of Fisher’s Landscape Depot (“Fisher’s”). With two locations in Western Ontario, Canada, Fisher’s is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals.
- In April 2019, the Company acquired the assets and assumed the liabilities of Landscape Depot, Inc. (“Landscape Depot”). With three locations in the greater Boston, Massachusetts market, Landscape Depot is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals.
- In February 2019, the Company acquired the assets and assumed the liabilities of All Pro Horticulture, Inc. (“All Pro”). With one location in Long Island, New York, All Pro is a market leader in the distribution of agronomics and erosion control products to landscape professionals.
- In January 2019, the Company acquired the assets and assumed the liabilities of Cutting Edge Curbing Sand & Rock (“Cutting Edge”). With one location in Phoenix, Arizona, Cutting Edge is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals.
- In December 2018, the Company acquired the assets and assumed the liabilities of All Around Landscape Supply and Santa Ynez Stone & Topsoil (“All Around”). With four locations in Santa Barbara County, California, All Around is a market leader in the distribution of irrigation, hardscapes, and landscape supplies to landscape professionals.
- In October 2018, the Company acquired the assets and assumed the liabilities of C&C Sand and Stone (“C&C”). With four locations in Colorado, C&C is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals.
- In July 2018, the Company acquired the assets and assumed the liabilities of Central Pump & Supply, Inc. d/b/a CentralPro (“CentralPro”). With 11 locations throughout Central Florida, CentralPro is a market leader in the distribution of irrigation, lighting, and drainage products to landscape professionals.
- In July 2018, the Company acquired the assets and assumed the liabilities of Stone Center LC (“Stone Center”). With one location in Manassas, Virginia, Stone Center is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals.
- In July 2018, the Company acquired the outstanding stock of Koppco, Inc. and Kirkwood Material Supply, Inc. (collectively “Kirkwood”). With eight locations in the St. Louis, Missouri metropolitan area, Kirkwood is a market leader in the distribution of hardscapes and nursery supplies to landscape professionals.
- In July 2018, the Company acquired the outstanding stock of LandscapeXpress, Inc. (“Landscape Express”). With four locations in the Boston, Massachusetts metropolitan area, Landscape Express is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals.
- In June 2018, the Company acquired the assets and assumed the liabilities of Southwood Valley Turf II, Ltd, d/b/a All American Stone and Turf (“All American”). With one location in College Station, Texas, All American is a market leader in the distribution of hardscapes and landscape supplies to landscape professionals in East Texas.
- In June 2018, the Company acquired the outstanding stock of Auto-Rain Supply Inc. (“Auto-Rain”). With five locations in Washington and Idaho, Auto-Rain is a market leader in the distribution of irrigation and related products to landscape professionals.
- In May 2018, the Company acquired the assets and assumed the liabilities of Landscaper’s Choice Wholesale Nursery and Supply (“Landscaper’s Choice”). With two locations in Naples and Bonita Springs, Florida, Landscaper’s Choice is a market leader in wholesale nursery distribution.
- In April 2018, the Company acquired the assets and assumed the liabilities of Northwest Marble & Terrazzo Co. (“Terrazzo”). With two locations in Bellevue and Marysville, Washington, Terrazzo is a market leader in the distribution of natural stone and hardscapes material to landscape professionals.

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- In March 2018, the Company acquired the assets and assumed the liabilities of the distribution locations of Village Nurseries Landscape Centers ("Village"). With three locations in Orange, Huntington Beach, and Sacramento, California, Village is a market leader in wholesale nursery distribution.
- In February 2018, the Company acquired the outstanding stock of Atlantic Irrigation Specialties, Inc. and the limited liability company interests of Atlantic Irrigation South, LLC (collectively, "Atlantic"). With 33 locations in 12 states within the Eastern U.S. and two provinces in Eastern Canada, Atlantic is a market leader in the distribution of irrigation, lighting, drainage, and landscaping equipment to green industry professionals.
- In January 2018, the Company acquired the assets and assumed the liabilities of Pete Rose, Inc. ("Pete Rose"). With one location in Richmond, Virginia, Pete Rose is a market leader in the distribution of natural stone and hardscapes material to landscape professionals.
- In October 2017, the Company acquired the assets and assumed the liabilities of Harmony Gardens, Inc. ("Harmony Gardens"). With two locations in the metro Denver and Fort Collins, Colorado areas, Harmony Gardens is a leading wholesale nursery distributor in the state.
- In September 2017, the Company acquired the assets and assumed the liabilities of Marshall Stone, Inc. and Davis Supply, LLC (collectively, "Marshall Stone"). With two locations in Greensboro, North Carolina and Roanoke, Virginia, Marshall Stone is a market leader in the distribution of natural stone and hardscapes materials to landscape professionals.
- In August 2017, the Company acquired the assets and assumed the liabilities of Bondaze Enterprises, Inc., a California corporation doing business as South Coast Supply ("South Coast Supply"). With two locations in Orange County, California, South Coast Supply is a market leader in the distribution of hardscapes, natural stone and related products to landscape professionals.
- In May 2017, the Company acquired the assets and assumed the liabilities of Evergreen Partners of Raleigh, LLC, Evergreen Partners of Myrtle Beach, LLC, and Evergreen Logistics, LLC (collectively, "Evergreen"). With two locations in Raleigh, North Carolina and Myrtle Beach, South Carolina, Evergreen is a market leader in the distribution of nursery supplies to landscape professionals.
- In March 2017, the Company acquired the assets and assumed the liabilities of Angelo's Supplies, Inc. and Angelo's Wholesale Supplies, Inc. (collectively, "Angelo's") with two locations in Wixom and Farmington Hills, Michigan, both suburbs of Detroit. Angelo's is a hardscape and landscape supply distributor and has been a market leader since 1984.
- In March 2017, the Company acquired all of the outstanding stock of American Builders Supply, Inc. and MasonryClub, Inc. and subsidiary (collectively, "AB Supply") with 10 locations in the greater Los Angeles, California area and two locations in Las Vegas, Nevada. AB Supply is a market leader in the distribution of hardscape, natural stone and related products to landscape professionals.
- In February 2017, the Company acquired the assets and assumed the liabilities of Stone Forest Materials, LLC ("Stone Forest") with one location in Kennesaw, Georgia. Stone Forest is a market leader in the distribution of hardscape products to landscape professionals.
- In January 2017, the Company acquired the assets and assumed the liabilities of Aspen Valley Landscape Supply, Inc. ("Aspen Valley") with three locations. Headquartered in Homer Glen, Illinois, Aspen Valley is a market leader in the distribution of hardscapes and landscape supplies in the Chicago Metropolitan Area.

These transactions were accounted for by the acquisition method, and accordingly the results of operations were included in the Company's consolidated financial statements from their respective acquisition dates.

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### **Note 4. Property and Equipment, Net**

Property and equipment consisted of the following (in millions):

	<b>December 29, 2019</b>	<b>December 30, 2018</b>
Land	\$ 12.2	\$ 12.2
Buildings and leasehold improvements:		
Buildings	7.8	7.9
Leasehold improvements	25.5	20.5
Branch equipment	47.9	36.8
Office furniture and fixtures and vehicles:		
Office furniture and fixtures	21.4	19.1
Vehicles	30.2	58.1
Finance lease right-of-use assets	46.3	—
Tooling	0.1	0.1
Construction in process	2.9	2.0
Total Property and equipment, gross	194.3	156.7
Less: accumulated depreciation and amortization	89.4	68.3
Total Property and equipment, net	\$ 104.9	\$ 88.4

Amortization of finance ROU assets and depreciation expense was approximately \$25.1 million for the year ended December 29, 2019, and depreciation expense was \$21.5 million and \$17.6 million for the years ended December 30, 2018 and December 31, 2017, respectively.

Capitalized software has an estimated useful life of three years. The amounts of total capitalized software costs, including purchased and internally developed software, included in Other assets at December 29, 2019 and December 30, 2018 were approximately \$10.9 million and \$8.9 million, less accumulated amortization of approximately \$7.4 million and \$5.2 million, respectively. Amortization of these software costs was approximately \$2.1 million, \$2.1 million and \$1.6 million for the years ended December 29, 2019, December 30, 2018 and December 31, 2017, respectively.

### **Note 5. Goodwill and Intangible Assets, Net**

#### **Goodwill**

The changes in the carrying amount of goodwill for the years ended December 29, 2019 and December 30, 2018 are as follows (in millions):

	<b>For the year December 31, 2018 to December 29, 2019</b>	<b>For the year January 1, 2018 to December 30, 2018</b>
Beginning balance	\$ 148.4	\$ 106.5
Goodwill acquired during the year	29.7	41.7
Goodwill adjusted during the year	3.2	0.2
Ending balance	\$ 181.3	\$ 148.4

Additions to goodwill during the years ended December 29, 2019 and December 30, 2018 related to the acquisitions during the 2019 Fiscal Year and the 2018 Fiscal Year as described in Note 3. There have been no impairments of our goodwill for the years ended December 29, 2019 and December 30, 2018.

## Intangible Assets

The following table summarizes the components of intangible assets (in millions):

	Weighted Average Remaining Useful Life (in Years)	December 29, 2019			December 30, 2018		
		Amount	Accumulated Amortization	Net	Amount	Accumulated Amortization	Net
Customer relationships	16.9 years	\$ 267.9	\$ 124.4	\$ 143.5	\$ 243.0	\$ 95.6	\$ 147.4
Trademarks and other	3.3 years	17.0	9.9	7.1	14.6	6.4	8.2
Total intangibles		<u>\$ 284.9</u>	<u>\$ 134.3</u>	<u>\$ 150.6</u>	<u>\$ 257.6</u>	<u>\$ 102.0</u>	<u>\$ 155.6</u>

During the year ended December 29, 2019, the Company recorded \$27.3 million of intangible assets, including \$24.9 million in customer relationship intangibles and \$2.4 million in trademarks and other intangibles as a result of the acquisitions completed in 2019 as described in [Note 3](#) and adjustments to purchase price allocations related to prior year acquisitions during the allowable measurement period.

During the year ended December 30, 2018, the Company recorded \$71.4 million of intangible assets, including \$64.5 million in customer relationship intangibles and \$6.9 million in trademarks and other intangibles as a result of the acquisitions completed in 2018 as described in [Note 3](#) and adjustments to purchase price allocations related to prior year acquisitions during the allowable measurement period.

The customer relationship intangible assets will be amortized over a weighted-average period of approximately 20 years. The trademarks and other intangible assets recorded will be amortized over a weighted-average period of approximately five years.

Amortization expense for intangible assets for the years ended December 29, 2019, December 30, 2018 and December 31, 2017 was approximately \$32.3 million, \$28.7 million, and \$23.9 million, respectively.

Total future amortization estimated as of December 29, 2019, is as follows (in millions):

Fiscal year ending:	
2020	\$ 29.4
2021	24.5
2022	20.1
2023	16.0
2024	12.5
Thereafter	48.1
Total future amortization	<u>\$ 150.6</u>

## Note 6. Leases

The components of lease expense were as follows (in millions):

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<b>Lease cost</b>	<b>Classification</b>	<b>For the year December 31, 2018 to December 29, 2019</b>	
Finance lease cost			
Amortization of right-of-use assets	Selling, general and administrative expenses	\$	6.7
Interest on lease liabilities	Interest and other non-operating expenses, net		0.8
Operating lease cost	Cost of goods sold		3.2
Operating lease cost	Selling, general and administrative expenses		60.1
Short-term lease cost	Selling, general and administrative expenses		1.5
Variable lease cost	Selling, general and administrative expenses		0.7
Sublease income	Selling, general and administrative expenses		(0.6)
Total lease cost		\$	72.4

Supplemental cash flow information related to leases was as follows (in millions):

<b>Other information</b>	<b>For the year December 31, 2018 to December 29, 2019</b>	
Cash paid for amounts included in the measurements of lease liabilities:		
Operating cash flows from finance leases	\$	0.8
Operating cash flows from operating leases	\$	62.2
Financing cash flows from finance leases	\$	6.5
Right-of-use assets obtained in exchange for new lease liabilities:		
Finance leases	\$	15.0
Operating leases	\$	76.3

The aggregate future lease payments for operating and finance leases as of December 29, 2019 were as follows (in millions):

<b>Maturity of Lease Liabilities</b>	<b>Operating Leases</b>		<b>Finance Leases</b>	
Fiscal year:				
2020	\$	56.0	\$	7.6
2021		53.1		6.9
2022		43.0		5.3
2023		33.0		3.5
2024		24.0		1.3
Thereafter		86.8		0.2
Total lease payments		295.9		24.8
Less: interest		61.0		1.9
Present value of lease liabilities	\$	234.9	\$	22.9

Average lease terms and discount rates were as follows:

<b>Lease Term and Discount Rate</b>	<b>December 29, 2019</b>
Weighted-average remaining lease term (years)	
Finance leases	3.7
Operating leases	7.1
Weighted-average discount rate	
Finance leases	4.6%
Operating leases	5.9%

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As the Company did not restate prior year information for the adoption of ASC 842, future minimum lease payments for operating leases and capital leases as of December 30, 2018 as previously disclosed in the Company's 2018 Annual Report on Form 10-K and under the previous lease accounting standard, were as follows (in millions):

	Operating Leases		Finance Leases	
Fiscal year:				
	2019	\$ 54.1	\$ 5.8	
	2020	45.3	4.3	
	2021	37.7	3.6	
	2022	28.2	1.9	
	2023	20.2	0.4	
Thereafter		71.4	—	
Total minimum lease payments		<u>\$ 256.9</u>	<u>16.0</u>	
Less: amount representing interest			1.3	
Present value of future minimum lease payments			<u>\$ 14.7</u>	

## Note 7. Employee Benefit and Stock Incentive Plans

The Company sponsors a defined contribution benefit plan for substantially all of its employees. Company contributions to the plan are based on a percentage of employee wages. The Company's contributions to the plan were approximately \$8.5 million, \$7.5 million and \$6.4 million for the years ended December 29, 2019, December 30, 2018 and December 31, 2017, respectively.

The Company's Omnibus Equity Incentive Plan (the "Omnibus Incentive Plan"), which became effective on April 28, 2016, provides for the grant of awards in the form of stock options, which may be either incentive stock options or non-qualified stock options; stock purchase rights; restricted stock; restricted stock units ("RSUs"); performance shares; performance stock units ("PSUs"); stock appreciation rights ("SARs"); dividend equivalents; deferred stock units ("DSUs"); and other stock-based awards. The Company also has outstanding stock-based awards under its stock incentive plan ("Stock Incentive Plan") which commenced in May 2014 and terminated upon adoption of the Omnibus Incentive Plan. However, awards previously granted under the Stock Incentive Plan were unaffected by the termination of the Stock Incentive Plan. Any shares covered by an award, or any portion thereof, granted under the Omnibus Incentive Plan or Stock Incentive Plan that terminates, is forfeited, is repurchased, expires or lapses for any reason will again be available for the grant of awards. Additionally, any shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligations pursuant to any award under the Omnibus Incentive Plan will again be available for issuance. The aggregate number of shares which may be issued under the Omnibus Incentive Plan is 2,000,000 shares of which 753,375 remain available as of December 29, 2019.

The stock options and RSUs granted to employees vest over a four-year period at 25% per year. The DSUs granted to non-employee directors vest immediately but settlement is deferred until termination of the director's service on the board or until a change of control of the Company. Stock options and RSUs expire ten years after the date of grant. PSUs granted to employees vest upon the achievement of the performance conditions, over a three-year period, measured by the growth of the Company's pre-tax income plus amortization relative to a select peer group, subject to adjustment based upon the application of a return on invested capital modifier.

The fair value of each stock option award was estimated on the date of grant using the Black-Scholes options pricing model. Expected volatilities are based on the historical equity volatility of comparable publicly traded companies. The expected term of options granted is derived from the output of the option valuation model and represents the period of time that options granted are expected to be outstanding. The risk-free rates utilized for periods throughout the contractual life of the options are based on the U.S. Treasury security yields at the time of grant. The DSUs, RSUs and PSUs have grant date fair values equal to the fair market value of the underlying stock on the date of grant. Share-based compensation expense is recognized in the financial statements based upon fair value on the date of grant. The compensation cost for stock options and RSUs is recognized on a straight-line basis over the requisite vesting period. The Company recognizes compensation expense for PSUs when it is probable that the performance conditions will be achieved. The Company reassesses the probability of vesting at each reporting period and adjusts its compensation cost accordingly.

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The estimated grant-date fair value of stock options is calculated using the Black-Scholes option-pricing model, based on the following weighted-average assumptions:

	December 29, 2019	December 30, 2018	December 31, 2017
Risk-free interest rate	2.52%	2.77%	2.11%
Expected dividends	—	—	—
Expected volatility	25%	25%	30%
Expected term (in years)	6.25	6.25	6.25

The following table summarizes the information about stock options as of and for the years ended December 29, 2019 and December 30, 2018:

	Number of Shares (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2017	3,153.9	\$ 12.07	7.13	\$ 203.8
Granted	289.2	76.77		
Exercised	(915.0)	7.34		
Expired or forfeited	(64.6)	33.18		
Outstanding as of December 30, 2018	2,463.5	\$ 20.87	6.30	\$ 91.5
Granted	297.4	52.51		
Exercised	(659.9)	12.74		
Expired or forfeited	(102.2)	51.94		
Outstanding as of December 29, 2019	1,998.8	\$ 26.67	5.98	\$ 127.5
Exercisable as of December 29, 2019	1,186.2	13.77	4.99	91.0
Unvested and expected to vest after December 29, 2019	812.6	\$ 45.50	7.41	\$ 36.5

The following table summarizes other stock-based compensation award activities for the years ended December 29, 2019 and December 30, 2018:

	RSUs	DSUs	PSUs
Outstanding as of December 30, 2018	85.9	24.7	—
Granted	104.5	11.1	29.8
Exercised/Vested/Settled	(26.8)	(3.0)	—
Expired or forfeited	(15.1)	—	(1.4)
Outstanding as of December 29, 2019	148.5	32.8	28.4

The weighted average grant date fair value of awards granted during the year ended December 29, 2019 was as follows:

	Weighted Average Grant Date Fair Value
Stock options	\$ 16.13
RSUs	\$ 52.65
DSUs	\$ 66.27
PSUs	\$ 51.69

A summary of stock-based compensation expenses recognized during the periods was as follows (in millions):

	For the year December 31, 2018 to December 29, 2019	For the year January 1, 2018 to December 30, 2018
Stock options	\$ 7.8	\$ 6.0
RSUs	2.5	1.4
DSUs	0.9	0.5
PSUs	0.5	—
Total stock-based compensation	\$ 11.7	\$ 7.9

A summary of unrecognized stock-based compensation expense as of December 29, 2019 was as follows:

	Unrecognized Compensation (in millions)	Weighted Average Remaining Period (Years)
Stock options	\$ 7.7	2.35
RSUs	\$ 5.9	2.72
DSUs	\$ 0.5	1.36
PSUs	\$ 1.0	2.00

#### **Note 8. Long-Term Debt**

Long-term debt was as follows (in millions):

	December 29, 2019	December 30, 2018
ABL facility	\$ 92.8	\$ 123.1
Term loan facility	441.8	446.2
Total gross long-term debt	534.6	569.3
Less: unamortized debt issuance costs and discounts on debt	(9.7)	(11.1)
Total debt	\$ 524.9	\$ 558.2
Less: current portion	(4.5)	(4.5)
Total long-term debt	\$ 520.4	\$ 553.7

#### **ABL Facility:**

SiteOne Landscape Supply Holding, LLC (“Landscape Holding”) and SiteOne Landscape Supply, LLC (“Landscape,” and together with Landscape Holding, the “Borrowers”), each an indirect wholly-owned subsidiary of the Company, are parties to the credit agreement dated December 23, 2013 (as amended by the First Amendment to the Credit Agreement, dated June 13, 2014, the Second Amendment to the Credit Agreement, dated January 26, 2015, the Third Amendment to the Credit Agreement, dated February 13, 2015, the Fourth Amendment to the Credit Agreement, dated October 20, 2015, the Omnibus Amendment to the Credit Agreement, dated May 24, 2017, and the Sixth Amendment to the Credit Agreement, dated February 1, 2019, the “ABL Credit Agreement”) providing for an asset-based credit facility (the “ABL Facility”) of up to \$375.0 million, subject to borrowing base availability. The ABL Facility is secured by a first lien on the inventory and receivables of the Borrowers. The ABL Facility is guaranteed by SiteOne Landscape Supply Bidco, Inc. (“Bidco”), an indirect wholly-owned subsidiary of the Company, and each direct and indirect wholly-owned U.S. restricted subsidiary of Landscape. The availability under the ABL Facility was \$263.4 million and \$197.5 million as of December 29, 2019 and December 30, 2018, respectively. Availability is determined using borrowing base calculations of eligible inventory and receivable balances less the current outstanding ABL Facility and letters of credit balances.

On February 1, 2019, the Company entered into the Sixth Amendment to Credit Agreement, to among other things, (i) extend the termination date to February 1, 2024, (ii) increase the aggregate principal amount of the commitments under the ABL Credit Agreement



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to \$375.0 million pursuant to an increase via use of the existing “incremental” provisions of the ABL Credit Agreement, and (iii) amend certain terms of the ABL Credit Agreement and Guarantee and Collateral Agreement.

The interest rate on the ABL Facility is LIBOR plus an applicable margin ranging from 1.25% to 1.75% or an alternate base rate for U.S. denominated borrowings plus an applicable margin ranging from 0.25% to 0.75%. The interest rates on outstanding balances were 3.21% and 4.10% as of December 29, 2019 and December 30, 2018, respectively. Additionally, the Borrowers paid a commitment fee of 0.25% and 0.25% on the unfunded amount as of December 29, 2019 and December 30, 2018, respectively.

The ABL Facility is subject to mandatory prepayments if the outstanding loans and letters of credit exceed either the aggregate revolving commitments or the current borrowing base, in an amount equal to such excess. Additionally, the ABL Facility is subject to various covenants requiring minimum financial ratios and additional borrowings may be limited by these financial ratios. Failure to meet any of these covenants could result in an event of default under these agreements. If an event of default occurs, the lenders could elect to declare all amounts outstanding under these agreements to be immediately due and payable, enforce their interest in collateral pledged under the agreement, or restrict the Borrowers’ ability to obtain additional borrowings under these agreements.

The ABL Facility contains customary representations and warranties and customary affirmative and negative covenants. The negative covenants consist of the following: fundamental changes, dividends and distributions, acquisitions, collateral, payments and modifications of restricted indebtedness, negative pledge clauses, changes in line of business, currency, commodity and other hedging transactions, transactions with affiliates, investments, limitations on indebtedness and liens. The negative covenants are subject to the customary exceptions and also permit the payment of dividends and distributions, investments, permitted acquisitions and payments or redemptions of junior indebtedness upon satisfaction of a payment condition. As of December 29, 2019, the Company is in compliance with all of the ABL Facility covenants.

### ***Term Loan Facility:***

The Borrowers entered into a syndicated senior term loan facility dated April 29, 2016, which was amended on November 23, 2016, May 24, 2017, December 12, 2017 and August 14, 2018 (the “Term Loan Facility”). The Term Loan Facility is guaranteed by Bidco and each direct and indirect wholly-owned U.S. restricted subsidiary of Landscape. The Term Loan Facility has a first lien on Property and equipment, Intangibles, and equity interests of Landscape, and a second lien on ABL Facility assets. In connection with the amendment on August 14, 2018, the final maturity date of the Term Loan Facility was extended to October 29, 2024.

### ***Term Loan Facility Amendments:***

On August 14, 2018, the Company amended the Term Loan Facility (the “Fourth Amendment”) to, among other things, (i) add an additional credit facility under the Term Loan Facility consisting of additional term loans (the “Tranche E Term Loans”) in an aggregate principal amount of \$347.4 million and (ii) increase the aggregate principal amount of Tranche E Term Loans under the Term Loan Facility to \$447.4 million. Proceeds of the Tranche E Term Loans were used to, among other things, (i) repay in full the Tranche D Term Loans and (ii) repay approximately \$96.8 million of borrowings outstanding under the ABL Facility.

The Tranche E Term Loans bear interest, at Landscape Holding’s option, at either (i) an adjusted LIBOR rate (as defined in the Term Loan Facility) plus an applicable margin equal to 2.75% or (ii) an alternative base rate plus an applicable margin equal to 1.75%. The other terms of the Tranche E Term Loans are generally the same as the terms applicable to the previously existing term loans under the Term Loan Facility, provided that certain terms of the Term Loan Facility were modified by the Fourth Amendment. The interest rate on the outstanding balance was 4.46% as of December 29, 2019.

The Term Loan Facility contains customary representations and warranties and customary affirmative and negative covenants, which fully restrict retained earnings of the Borrowers. The negative covenants are limited to the following: limitations on indebtedness, restricted payments, restrictive agreements, sales of assets and subsidiary stock, transactions with affiliates, liens, fundamental changes, amendments, lines of business and limitations on certain actions of the parent borrower. The negative covenants are subject to the customary exceptions.

The Term Loan Facility is payable in consecutive quarterly installments equal to 0.25% of the aggregate initial principal amount of the Tranche E Term Loans until the maturity date. In addition, the Term Loan Facility is subject to annual mandatory prepayments in an amount equal to 50% of excess cash flow, as defined in the Term Loan Credit Agreement for the applicable fiscal year if 50% of excess cash flow exceeds \$10.0 million and the secured leverage ratio is greater than 3.00 to 1.00. As of December 29, 2019, the Company is in compliance with all of the Term Loan Facility covenants.

During the years ended December 29, 2019, December 30, 2018 and December 31, 2017, the Company incurred total interest expenses of \$33.4 million, \$32.1 million, and \$25.2 million, respectively, of which \$30.1 million, \$27.1 million, and \$21.8 million, respectively, related to interest on the ABL Facility and the Term Loan Facility. The debt issuance costs and discounts are amortized as interest expense over the life of the debt. As a result of the refinancing and amendments of the Term Loan Facility and ABL Facility, unamortized debt

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issuance costs and discounts in the amount of \$0.4 million, \$0.7 million, and \$0.1 million, were written off to expense, and new discounts and debt issuance costs of \$0.9 million, \$2.4 million, and \$2.2 million, were capitalized during the years ended December 29, 2019, December 30, 2018 and December 31, 2017, respectively. Amortization expense related to debt issuance costs and discounts was \$2.0 million, \$3.1 million, and \$3.0 million for the years ended December 29, 2019, December 30, 2018 and December 31, 2017, respectively. The remaining \$0.9 million, \$1.2 million, and \$0.3 million of interest is primarily related to finance leases for the years ended December 29, 2019, December 30, 2018 and December 31, 2017, respectively.

Maturities of long-term debt outstanding, in principal amounts at December 29, 2019 are summarized below (in millions):

Fiscal year:		
2020	\$	5.6
2021		4.5
2022		4.5
2023		4.5
2024		515.5
Total	\$	534.6

## Interest Rate Swaps

The Company is subject to interest rate risk with regard to existing and future issuances of debt. The Company utilizes interest rate swap contracts to reduce its exposure to fluctuations in variable interest rates for future interest payments on existing debt. The Company is party to various forward-starting interest rate swap contracts to convert the variable interest rate to a fixed interest rate on portions of the borrowings under the Term Loan Facility. The following table provides additional details related to the swap contracts:

Derivatives designated as hedging instruments	Inception Date	Effective Date	Maturity Date	Notional Amount (in millions)	Fixed Interest Rate	Type of Hedge
Forward-starting interest rate swap 1	June 30, 2017	March 11, 2019	June 11, 2021	\$ 58.0	2.1345%	Cash flow
Forward-starting interest rate swap 2	June 30, 2017	March 11, 2019	June 11, 2021	116.0	2.1510%	Cash flow
Forward-starting interest rate swap 3	December 17, 2018	July 14, 2020	January 14, 2024	34.0	2.9345%	Cash flow
Forward-starting interest rate swap 4	December 24, 2018	January 14, 2019	January 14, 2023	50.0	2.7471%	Cash flow
Forward-starting interest rate swap 5	December 26, 2018	January 14, 2019	January 14, 2023	90.0	2.7250%	Cash flow
Forward-starting interest rate swap 6	May 30, 2019	July 15, 2019	January 14, 2023	70.0	2.1560%	Cash flow

The Company recognizes the unrealized gains or unrealized losses as either assets or liabilities at fair value on its Consolidated Balance Sheets. The forward-starting interest rate swap contracts are subject to master netting arrangements. The Company has elected not to offset the fair value of assets with the fair value of liabilities related to these contracts. The following table summarizes the fair value of the derivative instruments and the respective lines in which they were recorded in the Consolidated Balance Sheets as of December 29, 2019 and December 30, 2018 (in millions):

	Derivative Assets				Derivative Liabilities			
	December 29, 2019		December 30, 2018		December 29, 2019		December 30, 2018	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
<b>Derivatives designated as hedging instruments</b>								
Interest rate contracts	Prepaid expenses and other current assets	\$ —	Prepaid expenses and other current assets	\$ 0.7	Accrued liabilities	\$ 2.1	Accrued liabilities	\$ —
	Other assets	—	Other assets	1.1	Other long-term liabilities	5.3	Other long-term liabilities	0.7
<b>Total derivatives</b>		<b>\$ —</b>		<b>\$ 1.8</b>		<b>\$ 7.4</b>		<b>\$ 0.7</b>

For determining the fair value of the interest rate swap contracts, the Company uses significant observable market data or assumptions (Level 2 inputs) that market participants would use in pricing similar assets or liabilities, including assumptions about counterparty risk. The fair value estimates reflect an income approach based on the terms of the interest rate swap contracts and inputs corroborated by observable market data including interest rate curves.

The Company recognizes any differences between the variable interest rate payments and the fixed interest rate settlements with the swap counterparties as an adjustment to interest expense over the life of the swaps. The Company has designated these swaps as cash flow hedges and records the estimated fair value of the swaps to Accumulated other comprehensive income (loss) ("AOCI") on its Consolidated Balance Sheets. As of December 29, 2019, the fair value of the interest rate swaps in the amount of \$(5.5) million, net of taxes, was recorded in Accumulated other comprehensive loss. To the extent the interest rate swaps are determined to be ineffective, the Company recognizes the changes in the estimated fair value of the swaps in earnings. For the year ended December 29, 2019, there was no ineffectiveness recognized in earnings. The after-tax amount of unrealized loss on derivative instruments included in Accumulated other comprehensive loss related to the interest rate swap contracts maturing and expected to be reclassified to earnings during the next twelve months was \$1.5 million as of December 29, 2019. The ultimate amount recognized will vary based on fluctuations of interest rates through the maturity dates.

The table below details pre-tax amounts in AOCI and gain (loss) reclassified into income for derivatives designated as cash flow hedges for the years ended December 29, 2019 and December 30, 2018 (in millions):

	December 29, 2019			December 30, 2018		
	Gain (Loss) Recorded in OCI	Classification of Gain (Loss) Reclassified from AOCI into Income	Gain (Loss) Reclassified from AOCI into Income	Gain (Loss) Recorded in OCI	Classification of Gain (Loss) Reclassified from AOCI into Income	Gain (Loss) Reclassified from AOCI into Income
<b>Derivatives in Cash Flow Hedging Relationships</b>						
Interest rate contracts	\$ (8.5)	Interest and other non-operating expenses, net	\$ (0.1)	\$ 0.5	Interest and other non-operating expenses, net	\$ —

Failure of the swap counterparties to make payments would result in the loss of any potential benefit to the Company under the swap agreements. In this case, the Company would still be obligated to pay the variable interest payments underlying the debt agreements. Additionally, failure of the swap counterparties would not eliminate the Company's obligation to continue to make payments under the existing swap agreements if it continues to be in a net pay position.

## Note 9. Income Taxes

In December 2017, the 2017 Tax Act was enacted. The 2017 Tax Act included several changes to existing U.S. tax laws that impacted the Company, most notably a reduction of the U.S. corporate income tax rate from 35% to 21%, effective as of January 1, 2018. The 2017 Tax Act also provided for a one-time transition tax on certain foreign earnings that were previously deferred, immediate expensing for certain assets placed into service after September 27, 2017, a global intangible low-taxed income ("GILTI") provision which requires U.S. income inclusion of foreign subsidiary earnings in excess of an allowable return on the foreign subsidiary's tangible assets, and a limitation on U.S. interest deductibility based on 30% of adjusted taxable income. The Company has elected to account for its GILTI as a period expense in the year incurred. In fiscal 2017, the Company recorded provisional amounts for the

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income tax effects of the 2017 Tax Act in accordance with SAB 118. In 2018, the Company completed its accounting for the income tax effects of the 2017 Tax Act.

Components of Net income before taxes were as follows (in millions):

	For the year December 31, 2018 to December 29, 2019	For the year January 1, 2018 to December 30, 2018	For the year January 2, 2017 to December 31, 2017
U.S.	\$ 87.5	\$ 71.8	\$ 69.2
Foreign	4.0	3.4	3.4
Total	<u>\$ 91.5</u>	<u>\$ 75.2</u>	<u>\$ 72.6</u>

Components of Income tax expense were as follows (in millions):

	For the year December 31, 2018 to December 29, 2019	For the year January 1, 2018 to December 30, 2018	For the year January 2, 2017 to December 31, 2017
Current income tax expense			
U.S. federal	\$ 11.7	\$ 4.8	\$ 28.7
U.S. state and local	4.4	2.6	4.9
Foreign	1.1	1.0	0.9
Total current	<u>17.2</u>	<u>8.4</u>	<u>34.5</u>
Deferred income tax (benefit) expense			
U.S. federal	(2.0)	(4.8)	(15.5)
U.S. state and local	(1.3)	(2.3)	(1.0)
Foreign	(0.1)	—	—
Total deferred	<u>(3.4)</u>	<u>(7.1)</u>	<u>(16.5)</u>
Total	<u>\$ 13.8</u>	<u>\$ 1.3</u>	<u>\$ 18.0</u>

The Company's effective tax rate was 15.1%, 1.7%, and 24.8% for the years ended December 29, 2019, December 30, 2018, and December 31, 2017, respectively. The following table provides a reconciliation of income tax expense (benefit) at the statutory U.S. federal tax rate to actual income tax expense (benefit) for the periods presented (in millions):

	For the year December 31, 2018 to December 29, 2019	For the year January 1, 2018 to December 30, 2018	For the year January 2, 2017 to December 31, 2017
U.S. federal statutory expense	\$ 19.2	\$ 15.8	\$ 25.4
State and local income taxes, net	2.2 *	(0.2) *	2.0 *
Excess tax benefits	(7.7)	(13.2)	(6.1)
Enactment of 2017 Tax Act - deferred tax re-measurement, net	—	(0.1)	(4.5)
Enactment of 2017 Tax Act - transition tax	—	(1.0)	1.3
Transaction costs	—	0.2	0.4
Other, net	0.1	(0.2)	(0.5)
Income tax expense	<u>\$ 13.8</u>	<u>\$ 1.3</u>	<u>\$ 18.0</u>

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\* Includes excess tax benefits pursuant to ASU 2016-09 of \$(1.9) million, \$(3.1) million and \$(0.7) million for the years ended December 29, 2019, December 30, 2018, and December 31, 2017, respectively.

Undistributed earnings of the Company's foreign subsidiaries approximate \$14.4 million as of December 29, 2019. Those earnings are considered indefinitely reinvested; accordingly, no provision for U.S. federal and state income taxes has been provided thereon. Upon repatriation of those earnings, in the form of dividends or otherwise, the Company may be subject to U.S. income taxes, state and local income taxes, and withholding taxes payable to the foreign country. From a U.S. income tax perspective, however, the Company expects to claim a 100% dividends received deduction to offset any U.S. federal income tax liability on the undistributed earnings. Determination of the amount of unrecognized state and local tax liability is not practicable due to the complexities associated with its hypothetical calculation. Withholding taxes of approximately \$0.7 million may be payable upon remittance of all previously unremitted earnings as of December 29, 2019.

Deferred income taxes reflect the expected future tax consequences of temporary differences between the financial statement carrying amount of the Company's assets and liabilities, tax credits, and loss carryforwards. The significant components of deferred income taxes are as follows (in millions):

	December 29, 2019	December 30, 2018
<b>Deferred tax assets:</b>		
Net operating losses	\$ 6.2	\$ 6.6
Allowance for uncollectible accounts	4.9	3.7
Inventory	2.7	3.2
Reserve for sales bonuses	4.2	4.3
Accrued compensation	2.0	2.1
Stock compensation	4.6	3.1
Rent accrual	—	1.9
Environmental reserve	0.6	0.6
Deferred transaction costs	2.0	1.8
Operating lease liabilities	60.6	—
Interest rate swaps	1.9	—
Other	1.5	1.9
Total gross deferred tax assets	91.2	29.2
Valuation allowance	(4.6)	(4.8)
Total net deferred tax assets	86.6	24.4
<b>Deferred tax liabilities:</b>		
Fixed assets and land	(12.0)	(7.9)
Intangible assets	(10.9)	(17.4)
Goodwill	(4.7)	(3.4)
Deferred financing costs	(1.1)	(1.3)
Operating lease right-of-use assets	(58.0)	—
Other	(1.2)	(1.5)
Total deferred tax liabilities	(87.9)	(31.5)
Net deferred tax liabilities	\$ (1.3)	\$ (7.1)

Deferred taxes are recorded as follows in the Consolidated Balance Sheets (in millions):

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	December 29, 2019	December 30, 2018
U.S. state and local net deferred tax assets	\$ 1.7	\$ —
Foreign net deferred tax assets	0.2	—
U.S. state and local and Foreign net deferred tax assets	1.9	—
U.S. federal net deferred tax liabilities	(3.2)	(7.0)
U.S. state and local net deferred tax liabilities	—	(0.1)
U.S. federal and U.S. state and local net deferred tax liabilities	(3.2)	(7.1)
Net deferred tax liabilities	\$ (1.3)	\$ (7.1)

The Company evaluates its deferred tax assets to determine the need for a valuation allowance, and to conclude whether it is more likely than not that those deferred income tax assets will be realized. Management assesses the available positive and negative evidence to establish whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. On the basis of this evaluation, as of December 29, 2019 and December 30, 2018, a valuation allowance of \$4.6 million and \$4.8 million, respectively, has been recorded against deferred tax assets related primarily to state net operating loss carryforwards the Company believes are more likely than not to expire unused. Activity within the tax valuation allowance for the periods was as follows (in millions):

	For the year December 31, 2018 to December 29, 2019	For the year January 1, 2018 to December 30, 2018	For the year January 2, 2017 to December 31, 2017
Beginning balance	\$ 4.8	\$ 5.2	\$ 4.1
Increase in valuation allowance	—	—	1.1
Decrease in valuation allowance	(0.2)	(0.4)	—
Ending balance	\$ 4.6	\$ 4.8	\$ 5.2

As of December 29, 2019, the Company had available tax-effected federal NOL carryforwards of approximately \$1.1 million that are indefinite-lived and tax-effected state NOL carryforwards of approximately \$5.1 million that expire at various dates through 2037, if not utilized.

The Company recognizes the tax effects of uncertain tax positions only if such positions are more likely than not to be sustained based solely upon its technical merits at the reporting date. The Company refers to the difference between the tax benefit recognized in its financial statements and the tax benefit claimed in the income tax return as an unrecognized tax benefit. There was no expense or liability recorded for unrecognized tax benefits for each period presented. The Company does not expect that the unrecognized tax benefit will materially change over the next 12 months.

The Company's policy for recording interest and penalties, if any, associated with uncertain tax positions is to recognize interest within Interest and other non-operating expenses, and to recognize penalties as a component of Selling, general and administrative expenses in the Company's Consolidated Statements of Operations. For each period presented, the Company had no accrued interest or penalties related to uncertain tax positions.

The Company is subject to U.S. federal income tax, income tax in multiple state jurisdictions, and Canadian federal and provincial income tax with respect to its foreign subsidiaries. With limited exceptions, years prior to the 2016 Fiscal Year are no longer open to U.S. federal, state and local examination by taxing authorities. Deere has indemnified the Company against any taxes, penalties or interest for tax periods prior to the CD&R Acquisition, accruing after the CD&R Acquisition date.

## Note 10. Related Party Transactions

Following consummation of the secondary offering on July 26, 2017 (as described in [Note 1](#)), CD&R and Deere no longer have an ownership interest in the Company. Transactions with customers and entities that were under the common ownership of CD&R and Deere through July 26, 2017 are considered related-party transactions and are discussed below.

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The Company offers a financing plan to its customers through John Deere Financial, f.s.b. ("John Deere Financial") a wholly-owned subsidiary of Deere. The Company pays John Deere Financial a fee related to the financing offered, which was approximately \$0.3 million for the period from January 2, 2017 through July 26, 2017.

TruGreen is a customer under common ownership of CD&R and therefore became a related party at the time of the CD&R Acquisition. As provided above, TruGreen is no longer a related party as a result of the consummation of the secondary offering on July 26, 2017. Net sales included in the Company's Consolidated Statement of Operations with TruGreen were \$4.3 million for the period from January 2, 2017 through July 26, 2017.

### **Note 11. Commitments and Contingencies**

**Litigation:** From time to time, the Company is subject to certain claims and lawsuits that have been filed in the ordinary course of business. The Company believes the reasonably possible range of losses for these unresolved legal actions in addition to amounts accrued would not have a material effect on the Company's assets and liabilities as of December 29, 2019 and December 30, 2018 and revenues, expenses, changes in equity, and cash flows for the years ended December 29, 2019, December 30, 2018, and December 31, 2017.

**Environmental liability:** As part of the sale of LESCO manufacturing assets in 2005, the Company retained the environmental liability associated with those assets. Remediation activities can vary substantially in duration and cost and it is difficult to develop precise estimates of future site remediation costs. The Company estimated in accrued liabilities the undiscounted cost of future remediation efforts to be approximately \$3.6 million and \$3.7 million as of December 29, 2019 and December 30, 2018, respectively. As part of the CD&R Acquisition, Deere agreed to pay the first \$2.5 million of the liability and cap the Company's exposure is capped to \$2.4 million. The Company has recorded an indemnification asset in Other assets against the liability as a result of these actions of \$1.2 million and \$1.3 million as of December 29, 2019 and December 30, 2018, respectively.

**Letter of credit:** As of December 29, 2019 and December 30, 2018, outstanding letters of credit were \$5.3 million and \$4.5 million respectively. There were no amounts drawn on the letters of credit for either period presented.

**Purchase commitments:** The Company has entered into contracts with various farmers that obligate the Company to purchase certain nursery products and grass seeds. These contracts run through fiscal year 2022. The total future obligation was approximately \$97.0 million as of December 29, 2019 with expected payments of approximately \$61.8 million, \$27.9 million, and \$7.3 million during the years ending December 2020, 2021, and 2022 respectively. The Company's purchases were approximately \$48.0 million, \$46.3 million, and \$33.7 million for the years ended December 29, 2019, December 30, 2018, and December 31, 2017, respectively. The Company contracted with a supplier to purchase an aggregate minimum of 10,000 tons of fertilizer annually beginning in 2020 for 18 years or until the total purchase commitment of 180,000 tons of product is fulfilled. If the Company does not meet minimum volume commitments, the Company must pay a \$288.50 per tonnage shortfall. In addition, the Company has entered into various service commitments, of which, the maximum total future obligation was approximately \$6.1 million as of December 29, 2019.

### **Note 12. Earnings (Loss) Per Share**

The Company computes basic earnings (loss) per share ("EPS") by dividing Net income (loss) attributable to common shares by the weighted average number of common shares outstanding for the period. The Company includes vested DSUs in the basic weighted average number of common shares calculation. The Company's computation of diluted EPS reflects the potential dilution that could occur if dilutive securities or other obligations to issue common stock were exercised or converted into common stock, which include in-the-money outstanding stock options and RSUs. PSUs are excluded from the calculation of dilutive potential common shares until the performance conditions have been achieved. Using the treasury stock method, the effect of dilutive securities includes the additional shares of common stock that would have been outstanding based on the assumption that these potentially dilutive securities had been issued. The calculation of the effect of dilutive securities excludes any derived excess tax benefits or deficiencies from assumed future proceeds.

RSUs and stock options with exercise prices that are higher than the average market prices of our common stock for the periods presented are excluded from the diluted EPS calculation because the effect is anti-dilutive.

For the years ended December 29, 2019, December 30, 2018, and December 31, 2017, the assumed exercises of a portion of the Company's employee stock options and RSUs were anti-dilutive and, therefore, the following potential shares of common stock were not included in the diluted loss per common share calculation:

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	December 29, 2019	December 30, 2018	December 31, 2017
Weighted average potential common shares excluded because anti-dilutive			
Employee Stock Options and RSUs	258,829	278,728	13,798

Certain of the Company's employee stock options, RSUs and DSUs were dilutive and resulted in additional potential common shares included in the Company's calculation of diluted earnings per common share of 1,531,505, 2,145,113, and 2,438,835 for the years ended December 29, 2019, December 30, 2018, and December 31, 2017, respectively.

**Note 13. Subsequent Events**

On January 2, 2020, the Company acquired the assets and assumed the liabilities of Wittkopf Landscape Supply ("Wittkopf "). With two locations in the Spokane Valley, Washington market, Wittkopf is a distributor of hardscapes and landscape supplies to landscape professionals.

On January 7, 2020, the Company acquired the assets and assumed the liabilities of Empire Supplies ("Empire "). With three locations in the greater Newark-Union, New Jersey market, Empire is a distributor of hardscapes and landscape supplies to landscape professionals.

On January 14, 2020, the Company acquired the assets and assumed the liabilities of The Garden Dept. Corp. ("Garden Dept."). With three locations in the greater Long Island, New York market, Garden Dept. is a distributor of nursery and landscape supplies to landscape professionals.

The acquisitions were not material and not expected to have a significant impact on the consolidated financial statements.



**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

**Item 9A. Controls and Procedures**

***Evaluation of Disclosure Controls and Procedures***

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 as amended) as of December 29, 2019. Based upon that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that as of December 29, 2019, our disclosure controls and procedures were designed at a reasonable assurance level and were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (SEC), and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

***Management's Report on Internal Control over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the company's principal executive and principal financial officers, and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Our internal control system was designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations which may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal controls over financial reporting as of December 29, 2019. In making this assessment, we used the criteria set forth in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (COSO). Based on our assessment, we believe that, as of December 29, 2019, our internal control over financial reporting was effective at a reasonable assurance level based on those criteria.

Under guidelines established by the SEC, companies are allowed to exclude an acquired business from management's report on internal control over financial reporting for the first year subsequent to the acquisition while integrating the acquired operations. Accordingly, management has excluded Stone and Soil, Voss, Trendset, Design Outdoor, Dirt Doctors, and Daniel Stone from its annual report on internal control over financial reporting as of December 29, 2019. Stone and Soil, Voss, Trendset, Design Outdoor, Dirt Doctors, and Daniel Stone collectively represented approximately 2% and 1% of the Company's consolidated Total assets and consolidated Net sales, respectively, as of and for the year ended December 29, 2019.

There are no changes in our internal control over financial reporting that occurred during our last fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Our Independent Registered Public Accounting Firm has issued a report on the Company's internal control over financial reporting. This report appears below.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the stockholders and the Board of Directors of SiteOne Landscape Supply, Inc.

**Opinion on Internal Control over Financial Reporting**

We have audited the internal control over financial reporting of SiteOne Landscape Supply, Inc. and subsidiaries (the "Company") as of December 29, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 29, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 29, 2019, of the Company and our report dated February 26, 2020, expressed an unqualified opinion on those financial statements.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded Stone and Soil, Voss, Trendset, Design Outdoor, Dirt Doctors, and Daniel Stone from its annual report on internal control over financial reporting as of December 29, 2019. Stone and Soil, Voss, Trendset, Design Outdoor, Dirt Doctors, and Daniel Stone collectively represented approximately 2% and 1% of the Company's consolidated Total assets and consolidated Net sales, respectively, as of and for the year ended December 29, 2019. Accordingly, our audit did not include the internal control over financial reporting at Stone and Soil, Voss, Trendset, Design Outdoor, Dirt Doctors, and Daniel Stone.

**Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and Limitations of Internal Control over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Atlanta, Georgia  
February 26, 2020

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**Item 9B. Other Information**

None.

**PART III**

**Item 10. Directors, Executive Officers, and Corporate Governance**

The information required by this Item for SiteOne will be set forth in SiteOne's Proxy Statement for the 2020 Annual Meeting of Stockholders, which information is hereby incorporated by reference. SiteOne has omitted the information required by this Item pursuant to General Instruction I to the Form 10-K.

**Item 11. Executive Compensation**

The information required by this Item for SiteOne will be set forth in SiteOne's Proxy Statement for the 2020 Annual Meeting of Stockholders, which information is hereby incorporated by reference. SiteOne has omitted the information required by this Item pursuant to General Instruction I to the Form 10-K.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this Item for SiteOne will be set forth in SiteOne's Proxy Statement for the 2020 Annual Meeting of Stockholders, which information is hereby incorporated by reference. SiteOne has omitted the information required by this Item pursuant to General Instruction I to the Form 10-K.

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this Item for SiteOne will be set forth in SiteOne's Proxy Statement for the 2020 Annual Meeting of Stockholders, which information is hereby incorporated by reference. SiteOne has omitted the information required by this Item pursuant to General Instruction I to the Form 10-K.

**Item 14. Principal Accountant Fees and Services**

The information required by this Item for SiteOne will be set forth in SiteOne's Proxy Statement for the 2020 Annual Meeting of Stockholders, which information is hereby incorporated by reference. SiteOne has omitted the information required by this Item pursuant to General Instruction I to the Form 10-K.

**PART IV**

**Item 15. Exhibits and Financial Statement Schedules**

(a). Financial Statements, Schedules and Exhibits.

1. Financial Statements

Refer to Index to Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K.

2. Financial Statements Schedules

Schedule I - SiteOne Landscape Supply, Inc.'s Condensed Financial Statements

3. Exhibits

The exhibits filed with this report are listed on the Exhibit Index. Entries marked by the symbol † next to the exhibit's number identify management contracts or compensatory plans or arrangements.

**Exhibit Index**

**Note Regarding Reliance on Statements in Our Contracts:** In reviewing the agreements included as exhibits to this Annual Report on Form 10-K, please remember that they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about Holdings, its subsidiaries or affiliates, or the other parties to the agreements. The agreements contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and (i) should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement; (iii) may apply standards of materiality in a way that is different from what may be viewed as material to investors; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments. Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about Holdings, its subsidiaries and affiliates may be found elsewhere in this Annual Report on Form 10-K.

<b>Exhibit Number</b>	<b>Description</b>
3.1	<u>Third Amended and Restated Certificate of Incorporation of SiteOne Landscape Supply, Inc., is incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of SiteOne Landscape Supply, Inc. filed May 16, 2019.</u>
3.2	<u>Third Amended and Restated By-Laws of SiteOne Landscape Supply, Inc., is incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K of SiteOne Landscape Supply, Inc. filed May 16, 2019.</u>
4.1	<u>Form of Common Stock Certificate, is incorporated by reference to Exhibit 4.1 to the Form S-1.</u>
4.2*	<u>Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.</u>
10.1	<u>Amended and Restated Stockholders Agreement, dated as of May 12, 2016, by and among SiteOne Landscape Supply, Inc., CD&amp;R Landscapes Holdings, L.P. and Deere &amp; Company, is incorporated by reference to Exhibit 10.1 to the Form 10-Q of SiteOne Landscape Supply, Inc., for the quarter ended April 3, 2016, file number 001-37760 (the "Q1 2016 Form 10-Q").</u>
10.2	<u>ABL Credit Agreement, dated as of December 23, 2013, by and among CD&amp;R Landscapes Merger Sub, Inc., CD&amp;R Landscapes Merger Sub 2, Inc., the Lenders (as defined therein), the Borrowers (as defined therein), UBS AG, Stamford Branch, as issuing lender, swingline lender, administrative agent and collateral agent, ING Capital LLC, as syndication agent, and the Co-Documentation Agents and Joint Lead Arrangers and Joint Bookrunners (each as defined therein), is incorporated by reference to Exhibit 10.10 to the Form S-1.</u>
10.3	<u>Amendment No. 1 to the ABL Credit Agreement, dated as of June 13, 2014, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC), SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), other subsidiary borrowers and the several banks and other financial institutions from time to time party thereto, and UBS AG, Stamford Branch, as administrative agent, is incorporated by reference to Exhibit 10.11 to the Form S-1.</u>
10.4	<u>Amendment No. 2 to the ABL Credit Agreement, dated as of January 26, 2015, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC), SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), other subsidiary borrowers and the several banks and other financial institutions from time to time party thereto, and UBS AG, Stamford Branch, as administrative agent, is incorporated by reference to Exhibit 10.12 to the Form S-1.</u>
10.5	<u>Amendment No. 3 to the ABL Credit Agreement, dated as of February 13, 2015, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC), SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), other subsidiary borrowers and the several banks and other financial institutions from time to time party thereto, and UBS AG, Stamford Branch, as administrative agent, is incorporated by reference to Exhibit 10.13 to the Form S-1.</u>
10.6	<u>Amendment No. 4 to the ABL Credit Agreement, dated October 20, 2015, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC), SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), other subsidiary borrowers and the several banks and other financial institutions from time to time party thereto, and UBS AG, Stamford Branch, as administrative agent is incorporated by reference to Exhibit 10.14 to the Form S-1.</u>
10.7	<u>Sixth Amendment to Credit Agreement, dated as of February 1, 2019, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC), SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), UBS AG, Stamford Branch, as administrative agent and collateral agent, and the several banks and other financial institutions party thereto, is incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of SiteOne Landscape Supply, Inc. filed February 4, 2019.</u>

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<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
10.8	<u>Term Loan Credit Agreement, dated as of December 23, 2013, by and among CD&amp;R Landscapes Merger Sub, Inc., CD&amp;R Landscapers Merger Sub 2, Inc., lenders party thereto, ING Capital LLC, as administrative agent and collateral agent, UBS Securities LLC, as syndication agent, and the Co-Documentation Agents, Joint Leader Arrangers and Joint Bookrunners (each as defined herein) is incorporated by reference to Exhibit 10.14 to the Form S-1.</u>
10.9	<u>Amendment No. 1 to the Term Loan Credit Agreement, dated as of June 13, 2014, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC), SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), other subsidiary borrowers and the several banks and other financial institutions from time to time party thereto, and ING Capital LLC, as administrative agent, is incorporated by reference to Exhibit 10.15 to the Form S-1.</u>
10.10	<u>Amendment No. 2 to the Term Loan Credit Agreement, dated as of January 26, 2015, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC), SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), other subsidiary borrowers and the several banks and other financial institutions from time to time party thereto, and ING Capital LLC, as administrative agent, is incorporated by reference to Exhibit 10.16 to the Form S-1.</u>
10.11	<u>Amendment No. 3 to the Term Loan Credit Agreement, dated as of April 29, 2016, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC), SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), other subsidiary borrowers and the several banks and other financial institutions from time to time party thereto, and UBS AG, Stamford Branch LLC, as successor administrative agent, is incorporated by reference to Exhibit 10.18 to the Form S-1.</u>
10.11A	<u>Amended and Restated Term Loan Credit Agreement, dated as of April 29, 2016 SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC), SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), other subsidiary borrowers and the several banks and other financial institutions from time to time party thereto, and UBS AG, Stamford Branch, as administrative agent, is incorporated by reference to Exhibit 10.18A to the Form S-1.</u>
10.12	<u>ABL Guarantee and Collateral Agreement, dated as of December 23, 2013, by and among SiteOne Landscape Supply Bideo, Inc. (f/k/a CD&amp;R Landscapes Bideo, Inc.), SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC) and UBS AG, Stamford Branch, as collateral agent, is incorporated by reference to Exhibit 10.17 to the Form S-1.</u>
10.13	<u>Term Loan Guarantee and Collateral Agreement, dated as of December 23, 2013, by and among SiteOne Landscape Supply Bideo, Inc. (f/k/a CD&amp;R Landscapes Bideo, Inc.), SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC) and ING Capital LLC, as collateral agent, is incorporated by reference to Exhibit 10.18 to the Form S-1.</u>
10.14†	<u>Amended and Restated SiteOne Landscape Supply, Inc. Stock Incentive Plan is incorporated by reference to Exhibit 10.19 to the Form S-1.</u>
10.15†	<u>Form of Employee Stock Option Agreement, is incorporated by reference to Exhibit 10.20 to the Form S-1.</u>
10.16†	<u>Form of Employee Stock Subscription Agreement, is incorporated by reference to Exhibit 10.21 to the Form S-1.</u>
10.17†	<u>Employment Agreement, dated as of April 21, 2014, by and among SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), SiteOne Landscape Supply, Inc. (f/k/a CD&amp;R Landscapes Parent, Inc.) and Doug Black is incorporated by reference to Exhibit 10.22 to the Form S-1.</u>
10.18†	<u>Form of Director Indemnification Agreement between SiteOne Landscape Supply, Inc. and each of its directors, is incorporated by reference to Exhibit 10.25 to the Form S-1.</u>
10.19†	<u>SiteOne Landscape Supply, Inc. 2016 Omnibus Incentive Plan, is incorporated by reference to Exhibit 10.26 to the Form S-1.</u>
10.20†	<u>Amendment to SiteOne Landscape Supply, Inc. 2016 Omnibus Incentive Plan effective as of January 1, 2019, is incorporated by reference to Exhibit 10.4 of the Form 10-Q filed on May 1, 2019.</u>
10.21†	<u>Form of Performance Stock Unit Award Agreement under the SiteOne Landscape Supply, Inc., 2016 Omnibus Incentive Plan, is incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of SiteOne Landscape Supply, Inc. filed February 12, 2019.</u>
10.22	<u>Consulting Agreement Termination Letter Agreement, dated May 17, 2016, by and among SiteOne Landscape Supply, Inc., SiteOne Landscape Supply Mideo, Inc., SiteOne Landscape Supply Bideo, Inc., SiteOne Landscape Supply Holding, LLC, SiteOne Landscape Supply, LLC and Clayton, Dubilier &amp; Rice, LLC, is incorporated by reference to Exhibit 10.12 to the Q1 2016 Form 10-Q.</u>

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<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
10.23	<u>Consulting Agreement Termination Letter Agreement, dated May 17, 2016, by and among SiteOne Landscape Supply, Inc., SiteOne Landscape Supply Mideo, Inc., SiteOne Landscape Supply Bideo, Inc., SiteOne Landscape Supply Holding, LLC, SiteOne Landscape Supply, LLC and Deere &amp; Company, is incorporated by reference to Exhibit 10.13 to the Q1 2016 Form 10-Q.</u>
10.24	<u>Registration Rights Waiver Agreement, dated as of October 7, 2015, by and among SiteOne Landscape Supply, Inc., CD&amp;R Landscapes Holdings, L.P. and Deere &amp; Company, is incorporated by reference to Exhibit 10.29 to the Form S-1.</u>
10.25†	<u>Form of Separation Benefit Agreement, is incorporated by reference to Exhibit 10.30 to the Form S-1.</u>
10.26†	<u>Form of Employee Offer Letter, is incorporated by reference to Exhibit 10.31 to the Form S-1.</u>
10.27†	<u>2016 Form of Employee Option Agreement, is incorporated by reference to Exhibit 10.32 to the Form S-1.</u>
10.28†	<u>2016 Form of Employee Restricted Stock Unit Agreement, is incorporated by reference to Exhibit 10.33 to the Form S-1.</u>
10.29†	<u>2016 Form of Non-Employee Director Deferred Stock Unit Agreement, is incorporated by reference to Exhibit 10.34 to the Form S-1.</u>
10.30†	<u>Summary of Non-Employee Director Compensation, as amended and restated on May 15, 2019, is incorporated by reference to Exhibit 10.1 to the Form 10-Q filed on July 31, 2019.</u>
10.31†	<u>Hiring Bonus Repayment Agreement, dated as of August 17, 2015, by and among SiteOne Landscape Supply (f/k/a John Deere Landscapes) and Briley Brisendine, is incorporated by reference to Exhibit 10.36 to the Form S-1.</u>
10.32†	<u>Executive Stock Ownership Policy, is incorporated by reference to Exhibit 10.37 to the Form S-1.</u>
10.33†	<u>Separation Benefit Agreement, dated as of May 27, 2016, by and among SiteOne Landscape Supply, LLC, SiteOne Landscape Supply, Inc. and Pascal Convers, is incorporated by reference to Exhibit 10.38 to the Registration Statement on Form S-1 of SiteOne Landscape Supply, Inc., Registration No. 333-214628 (the “November 2016 Form S-1”).</u>
10.34†	<u>Separation Benefit Agreement, dated as of May 27, 2016, by and among SiteOne Landscape Supply, LLC, SiteOne Landscape Supply, Inc. and John Guthrie, is incorporated by reference to Exhibit 10.39 to the November 2016 Form S-1.</u>
10.35†	<u>Separation Benefit Agreement, dated as of May 27, 2016, by and among SiteOne Landscape Supply, LLC, SiteOne Landscape Supply, Inc. and Joe Ketter, is incorporated by reference to Exhibit 10.40 to the November 2016 Form S-1.</u>
10.36†	<u>Separation Benefit Agreement, dated as of August 17, 2015, by and among SiteOne Landscape Supply, LLC, SiteOne Landscape Supply, Inc. and Briley Brisendine, is incorporated by reference to Exhibit 10.41 to the November 2016 Form S-1.</u>
10.37†	<u>Separation Benefit Agreement by and between SiteOne Landscape Supply, LLC, SiteOne Landscape Supply, Inc., and Scott Salmon, dated April 1, 2019, is incorporated by reference to Exhibit 10.2 to the Form 10-Q, filed on July 31, 2019.</u>
10.38†	<u>Amendment to Separation Agreement, dated June 13, 2019, by and between Ross Anker and SiteOne Landscape Supply, Inc., is incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K/A, filed on June 14, 2019.</u>
10.39†	<u>Separation Benefit Agreement by and between SiteOne Landscape Supply, LLC, SiteOne Landscape Supply, Inc., and Greg Weller, dated May 26, 2019, is incorporated by reference to Exhibit 10.4 to the Form 10-Q filed on July 31, 2019.</u>
10.40†	<u>Form of Employee Stock Option Agreement, as amended November 2016, is incorporated by reference to Exhibit 10.42 to the November 2016 Form S-1.</u>
10.41†	<u>Form of Employee Restricted Stock Unit Agreement, as amended November 2016, is incorporated by reference to Exhibit 10.43 to the November 2016 Form S-1.</u>
10.42	<u>First Amendment to Amended and Restated Credit Agreement, dated as of November 23, 2016, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC), SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), UBS AG, Stamford Branch, as administrative agent and collateral agent, and the several banks and other financial institutions party thereto, is incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of SiteOne Landscape Supply, Inc., filed November 23, 2016.</u>



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<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
10.43	<u>Increase Supplement, dated as of November 23, 2016, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC) and UBS AG, Stamford Branch, as increasing lender, is incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of SiteOne Landscape Supply, Inc., filed November 23, 2016.</u>
10.44	<u>Second Amendment to Amended and Restated Credit Agreement, dated as of May 24, 2017, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC), SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), UBS AG, Stamford Branch, as administrative agent and collateral agent, and the several banks and other financial institutions party thereto, is incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of SiteOne Landscape Supply, Inc., filed May 24, 2017.</u>
10.45	<u>Omnibus Amendment, dated as of May 24, 2017, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC), SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), UBS AG, Stamford Branch, as administrative agent and collateral agent, the several banks and other financial institutions party thereto and certain other parties party thereto from time to time, is incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of SiteOne Landscape Supply, Inc., filed May 24, 2017.</u>
10.46	<u>Third Amendment to Amended and Restated Credit Agreement, dated as of December 12, 2017, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC), SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), UBS AG, Stamford Branch, as administrative agent and collateral agent, and the several banks and other financial institutions party thereto, is incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of SiteOne Landscape Supply, Inc., filed December 12, 2017.</u>
10.47	<u>Increase Supplement, dated as of December 12, 2017, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC) and UBS AG, Stamford Branch, as increasing lender, is incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of SiteOne Landscape Supply, Inc., filed December 12, 2017.</u>
10.48†	<u>SiteOne Savings and Investment Plan is incorporated by reference to Exhibit 10.1 to the Registration Statement on Form S-8 of SiteOne Landscape Supply, Inc., filed November 9, 2017.</u>
10.49†	<u>Amendment to SiteOne Savings and Investment Plan is incorporated by reference to Exhibit 10.2 to the Registration Statement on Form S-8 of SiteOne Landscape Supply, Inc., filed November 9, 2017.</u>
10.50†	<u>Summary of Non-Employee Director Compensation Program, is incorporated by reference to Exhibit 10.3 to the Form 10-Q of SiteOne Landscape Supply, Inc., for the quarter ended July 2, 2017, file number 001-37760.</u>
10.51†	<u>Form of Employee Stock Option Agreement, is incorporated by reference to Exhibit 10.1 to the Form 10-Q of SiteOne Landscape Supply, Inc., for the quarter ended April 1, 2018, file number 001-37760.</u>
10.52†	<u>Form of Employee Restricted Stock Unit Agreement, is incorporated by reference to Exhibit 10.2 to the Form 10-Q of SiteOne Landscape Supply, Inc., for the quarter ended April 1, 2018, file number 001-37760.</u>
10.53†	<u>Summary of Non-Employee Director Compensation, is incorporated by reference to Exhibit 10.1 to the Form 10-Q of SiteOne Landscape Supply, Inc., for the quarter ended July 1, 2018, file number 001-37760.</u>
10.54	<u>Fourth Amendment to Amended and Restated Credit Agreement, dated August 14, 2018, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC), SiteOne Landscape Supply, LLC (f/k/a John Deere Landscapes LLC), UBS AG, Stamford Branch, as administrative agent and collateral agent, and the several banks and other financial institutions party thereto, is incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of SiteOne Landscape Supply, Inc., filed August 15, 2018.</u>
10.55	<u>Increase Supplement, dated as of August 14, 2018, by and among SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC) and UBS AG, Stamford Branch, as increasing lender, is incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of SiteOne Landscape Supply, Inc., filed August 15, 2018.</u>
21.1*	<u>List of Subsidiaries of SiteOne Landscape Supply, Inc.</u>
23.1*	<u>Consent of Deloitte &amp; Touche LLP.</u>
31.1*	<u>Certification of Chief Executive Officer of SiteOne Landscape Supply, Inc. pursuant to Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2*	<u>Certification of Chief Financial Officer of SiteOne Landscape Supply, Inc. pursuant to Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1*	<u>Certification of Chief Executive Officer of SiteOne Landscape Supply, Inc. pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2*	<u>Certification of Chief Financial Officer of SiteOne Landscape Supply, Inc. pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>



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<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 10.1)

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\* Filed herewith.

† Denotes management contract or compensatory plan or arrangement.

**Item 16. Form 10-K Summary**

Not applicable.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SITEONE LANDSCAPE SUPPLY, INC.  
(Registrant)

Date: February 26, 2020

By: /s/ John T. Guthrie

Name: John T. Guthrie

Title: Executive Vice President, Chief Financial Officer and Assistant Secretary  
(Principal Financial and Principal Accounting Officer)

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date:	February 26, 2020	By:	<u>/s/ Doug Black</u> Name: Doug Black Title: Chairman and Chief Executive Officer, Director (Principal Executive Officer)
Date:	February 26, 2020	By:	<u>/s/ John T. Guthrie</u> Name: John T. Guthrie Title: Executive Vice President, Chief Financial Officer and Assistant Secretary (Principal Financial Officer and Principal Accounting Officer)
Date:	February 26, 2020	By:	<u>/s/ Fred M. Diaz</u> Name: Fred M. Diaz Title: Director
Date:	February 26, 2020	By:	<u>/s/ William W. Douglas, III</u> Name: William W. Douglas, III Title: Director
Date:	February 26, 2020	By:	<u>/s/ Jeri L. Isbell</u> Name: Jeri L. Isbell Title: Director
Date:	February 26, 2020	By:	<u>/s/ W. Roy Dunbar</u> Name: W. Roy Dunbar Title: Director
Date:	February 26, 2020	By:	<u>/s/ Jack L. Wyszomierski</u> Name: Jack L. Wyszomierski Title: Director
Date:	February 26, 2020	By:	<u>/s/ Larisa J. Drake</u> Name: Larisa J. Drake Title: Director

**Schedule I - SiteOne Landscape Supply, Inc.'s Condensed Financial Statements**

**SiteOne Landscape Supply, Inc.  
Parent Company Only  
Condensed Balance Sheets  
(In millions, except share data)**

	<b>December 29, 2019</b>	<b>December 30, 2018</b>
<b>Assets</b>		
Investment in wholly owned subsidiary	\$ 392.4	\$ 300.8
Deferred tax asset (Note 3)	0.8	1.0
<b>Total assets</b>	<b>\$ 393.2</b>	<b>\$ 301.8</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Total liabilities</b>	<b>—</b>	<b>—</b>
Stockholders' Equity:		
Common stock, par value \$0.01; 1,000,000,000 shares authorized; 41,591,727 and 40,910,992 shares issued, and 41,570,816 and 40,890,081 shares outstanding at December 29, 2019 and December 30, 2018, respectively	0.4	0.4
Additional paid in capital	261.5	242.1
Retained Earnings	137.8	60.1
Accumulated other comprehensive loss	\$ (6.5)	\$ (0.8)
<b>Total stockholders' equity</b>	<b>393.2</b>	<b>301.8</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 393.2</b>	<b>\$ 301.8</b>

See Notes to Condensed Financial Statements.

**SiteOne Landscape Supply, Inc.**  
**Parent Company Only**  
**Condensed Statements of Operations and Comprehensive Income**  
(In millions)

	For the year December 31, 2018 to December 29, 2019	For the year January 1, 2018 to December 30, 2018	For the year January 2, 2017 to December 31, 2017
Equity in net income of subsidiary	\$ 77.7	\$ 73.9	\$ 54.6
<b>Income before taxes</b>	<b>77.7</b>	<b>73.9</b>	<b>54.6</b>
<b>Net income</b>	<b>\$ 77.7</b>	<b>\$ 73.9</b>	<b>\$ 54.6</b>
Other comprehensive income (loss), net of tax	(5.7)	(0.5)	0.9
<b>Comprehensive income</b>	<b>\$ 72.0</b>	<b>\$ 73.4</b>	<b>\$ 55.5</b>

See Notes to Condensed Financial Statements.



**SiteOne Landscape Supply, Inc.**  
**Parent Company Only**  
**Condensed Statements of Cash Flows**  
(In millions)

	For the year December 31, 2018 to December 29, 2019	For the year January 1, 2018 to December 30, 2018	For the year January 2, 2017 to December 31, 2017
<b>Cash Flows from Operating Activities:</b>			
Net income	\$ 77.7	\$ 73.9	\$ 54.6
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in net income of subsidiary	(77.7)	(73.9)	(54.6)
Distribution from subsidiary	—	—	—
<b>Net cash provided by operating activities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Cash Flows from Investing Activities:</b>			
Distribution received from subsidiary	—	—	—
<b>Net cash provided by investing activities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Cash Flows from Financing Activities:</b>			
Special cash dividend	—	—	—
Other dividends paid	—	—	—
Other financing activities	—	—	—
<b>Net cash used in financing activities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Net change in cash and cash equivalents</b>	<b>—</b>	<b>—</b>	<b>—</b>
Cash and cash equivalents:			
Beginning	—	—	—
Ending	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

See Notes to Condensed Financial Statements.

## **Notes to Condensed Parent Company Only Financial Statements**

### **Note 1. Description of SiteOne Landscape Supply, Inc.**

SiteOne Landscape Supply, Inc. (“Holdings” or the “Parent”) indirectly owns 100% of the membership interest in SiteOne Landscape Supply Holding, LLC (“Landscape Holding” or “subsidiary”), which it acquired from Deere & Company on December 23, 2013 (the “Closing Date”) in exchange for its common stock initially representing 40% of the outstanding capital stock (on an as-converted basis). In addition, Holdings issued cumulative convertible participating redeemable preferred stock (“Redeemable Convertible Preferred Stock”) to Clayton, Dubilier & Rice, LLC (“CD&R”) initially representing 60% of its remaining outstanding capital stock (on an as-converted basis) (both events collectively referred to herein as the “CD&R Acquisition”). On May 2, 2016, Holdings paid a one-time special cash dividend to all existing stockholders as of April 29, 2016. CD&R received \$112.4 million in accordance with its right to participate in all distributions to common stock on an as-converted basis, in accordance with its right as a preferred stockholder. On the day prior to the closing of the initial public offering, all of the then-outstanding Redeemable Convertible Preferred Stock converted into shares of common stock, resulting in the issuance by Holdings of an additional 25,303,164 shares of common stock. On December 5, 2016, May 1, 2017 and July 26, 2017, Holdings completed secondary offerings of its common stock in which Deere and CD&R were the sole sellers. Following consummation of the secondary offering on July 26, 2017, CD&R and Deere no longer have an ownership interest in Holdings. Holdings has no significant operations or assets other than its indirect ownership of the equity of Landscape Holding. Accordingly, the Holdings is dependent upon distributions from Landscape Holding to fund its obligations. However, under the terms of Landscape Holding’s credit agreements governing Landscape Holding’s ABL Facility and Term Loan Facility, Landscape Holding’s ability to pay dividends or lend to Holdings is restricted. Landscape Holding has no obligation to pay dividends to Holdings except to pay specified amounts to Holdings in order to fund the payment of Holdings’ tax obligations.

### **Note 2. Basis of Presentation**

The accompanying Condensed Parent Only Financial Statements include the amounts of Holdings and its investment in subsidiary since the Closing Date under the equity method, and do not present the financial statements of Holdings and its subsidiary on a consolidated basis. Under the equity method, investment in subsidiary is stated at cost plus contributions and equity in undistributed income (loss) of subsidiary less distributions received since the date of acquisition. The condensed Parent Company Only Financial Statements should be read in conjunction with SiteOne Landscape Supply, Inc. Consolidated Financial Statements and their accompanying Notes to Consolidated Financial Statements.

### **Note 3. Income Taxes**

With respect to the CD&R Acquisition, \$9.8 million of transaction expenses were recorded within the period ended December 29, 2013. Of the \$9.8 million of transaction expenses, \$3.7 million were not deductible for tax purposes, and the remaining \$6.1 million (\$2.2 million tax-effected) were capitalized for tax purposes as a deferred tax asset. During the years end December 29, 2019 and December 30, 2018, respectively, \$0.4 million (\$0.2 million tax-effected) and \$0.4 million (\$0.0 million tax-effected) has been amortized, which gives rise to a net operating loss and current tax benefit that offsets the deferred tax expense by the same amount.

In December 2017, the 2017 Tax Act was enacted. The 2017 Tax Act included a number of changes to existing U.S. tax laws that impacted the Company, most notably a reduction of the U.S. corporate income tax rate from 35% to 21%, effective as of January 1, 2018. The 2017 Tax Act also provided for a one-time transition tax on certain foreign earnings that were previously deferred, immediate expensing for certain assets placed into service after September 27, 2017, a GILTI provision which requires U.S. income inclusion of foreign subsidiary earnings in excess of an allowable return on the foreign subsidiary’s tangible assets, and a limitation on U.S. interest deductibility based on 30% of adjusted taxable income. The Company has elected to account for its GILTI as a period expense in the year incurred. In fiscal 2017, the Company recorded provisional amounts for the income tax effects of the 2017 Tax Act in accordance with SAB 118. In 2018, the Company completed its accounting for the tax effects of the 2017 Tax Act. As of December 29, 2019, the deferred tax asset related to these transaction expenses has a balance of \$0.8 million.

**DESCRIPTION OF THE REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES  
EXCHANGE ACT OF 1934**

As of December 29, 2019, SiteOne Landscape Supply, Inc. (the "Company," "us," "we," or "our") had one class of securities, our common stock, par value \$0.01 per share, registered under Section 12 of the Securities Exchange Act of 1934, as amended. Our common stock is listed on New York Stock Exchange under the symbol "SITE."

The following summary does not purport to be complete and is subject to and qualified in its entirety by reference to the General Corporation Law of the State of Delaware (the "DGCL"), our Third Amended and Restated Certificate of Incorporation ("Charter") and our Third Amended and Restated By-laws ("By-laws"), as each may be amended from time to time.

**General**

The Company has the authority to issue up to 1,000,000,000 shares of common stock, par value \$0.01 per share. As of February 21, 2020, there were 40,955,333 shares of our common stock issued and outstanding.

**Common Stock**

Holders of common stock are entitled:

- to cast one vote for each share held of record on all matters submitted to a vote of the stockholders;
- to receive, on a pro rata basis, dividends and distributions, if any, that our board of directors may declare out of legally available funds, subject to preferences that may be applicable to preferred stock, if any, then outstanding; and
- upon our liquidation, dissolution or winding up, to share equally and ratably in any assets remaining after the payment of all debt and other liabilities, subject to the prior rights, if any, of holders of any outstanding shares of preferred stock.

Our ability to pay dividends on our common stock is subject to our subsidiaries' ability to pay dividends to us, which is in turn subject to the restrictions set forth in the agreements that govern our indebtedness.

The holders of our common stock do not have any preemptive, cumulative voting, subscription, conversion, redemption or sinking fund rights. The common stock is not subject to future calls or assessments by us. The rights and privileges of holders of our common stock are subject to any series of preferred stock that we may issue in the future.

**Annual Stockholders Meeting**

Our By-laws provide that annual stockholder meetings will be held at a date, time and place, if any, as exclusively selected by our board of directors. To the extent permitted under applicable law, we may conduct meetings by remote communications, including by webcast.

**Voting**

The affirmative vote of a plurality of the shares of our common stock present, in person or by proxy, at the meeting and entitled to vote on the election of directors will decide the election of any directors, and the affirmative vote of a majority of the shares of our common stock present, in person or by proxy, at the meeting and entitled to vote at any annual or special meeting of stockholders will decide all other matters voted on by stockholders, unless the question is one upon which, by express provision of law, under our Charter, or under our By-laws, a different vote is required, in which case such provision will control.

**Anti-Takeover Effects of Our Certificate of Incorporation and By-laws**

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The provisions of our Charter and By-laws summarized below may have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that you might consider in your best interest, including an attempt that might result in your receipt of a premium over the market price for your shares. These provisions are also designed, in part, to encourage persons seeking to acquire control of us to first negotiate with our board of directors, which could result in an improvement of their terms.

**Authorized but Unissued Shares of Common Stock.** Shares of our authorized and unissued common stock are available for future issuances without additional stockholder approval. While the additional shares are not designed to deter or prevent a change of control, under some circumstances we could use the additional shares to create voting impediments or to frustrate persons seeking to effect a takeover or otherwise gain control by, for example, issuing those shares in private placements to purchasers who might side with our board of directors in opposing a hostile takeover bid.

**Authorized but Unissued Shares of Preferred Stock.** Under our Charter, our board of directors has the authority, without further action by our stockholders, to issue up to 100,000,000 shares of preferred stock in one or more series and to fix the voting powers, designations, preferences and the relative participating, optional or other special rights and qualifications, limitations and restrictions of each series, including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, liquidation preferences and the number of shares constituting any series. The existence of authorized but unissued preferred stock could reduce our attractiveness as a target for an unsolicited takeover bid since we could, for example, issue shares of preferred stock to parties who might oppose such a takeover bid or shares that contain terms the potential acquirer may find unattractive. This may have the effect of delaying or preventing a change of control, may discourage bids for the common stock at a premium over the market price of the common stock, and may adversely affect the market price of, and the voting and other rights of the holders of, our common stock.

**Classified Board of Directors.** In accordance with the terms of our amended and restated certificate of incorporation, our board of directors is divided into three classes, Class I, Class II and Class III, with members of each class serving staggered three-year terms. Under our Charter, our board of directors consists of such number of directors as may be determined from time to time by resolution of the board of directors, but in no event may the number of directors be less than one. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. Our Charter also provides that any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by the affirmative vote of a majority of our directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy will hold office until such director's successor shall have been duly elected and qualified or until such director's earlier death, resignation or removal. Our classified board of directors could have the effect of delaying or discouraging an acquisition of us or a change in our management.

**Removal of Directors.** Our Charter provides that directors may be removed only for cause upon the affirmative vote of holders of at least a majority of the outstanding shares of common stock then entitled to vote at an election of directors.

**Special Meetings of Stockholders.** Our Charter provides that a special meeting of stockholders may be called only by the Chairman of our board of directors or by a resolution adopted by a majority of our board of directors. Stockholders are not permitted to call a special meeting of stockholders.

**Stockholder Advance Notice Procedure.** Our By-laws establish an advance notice procedure for stockholders to make nominations of candidates for election as directors or to bring other business before an annual meeting of our stockholders. The By-laws provide that any stockholder wishing to nominate persons for election as directors at, or bring other business before, an annual meeting must deliver to our corporate secretary a written notice of the stockholder's intention to do so. These provisions may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company. To be timely, the stockholder's notice must be delivered to our corporate secretary at our principal executive offices not less than 90 days nor more than 120 days before the first anniversary date of the annual meeting for the preceding year; provided, however, that in the event that the annual meeting is set for a date that is more than 30 days before or more than 70 days after the first anniversary date of the preceding year's annual meeting, a stockholder's notice must be delivered to our corporate secretary (x) not less than 90 days nor more than 120 days prior to the meeting or (y) no later than the close of business on the 10th day following the day on which a public announcement of the date of the meeting is first made by us.

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**No Stockholder Action by Written Consent.** Our Charter provides that stockholder action may be taken only at an annual meeting or special meeting of stockholders.

#### **Limitations on Liability and Indemnification**

Our Charter contains provisions permitted under the DGCL relating to the liability of directors. These provisions eliminate a director's personal liability for monetary damages resulting from a breach of fiduciary duty, except in circumstances involving:

- any breach of the director's duty of loyalty;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law;
- Section 174 of the DGCL (unlawful dividends); or
- any transaction from which the director derives an improper personal benefit.

The principal effect of the limitation on liability provision is that a stockholder will be unable to prosecute an action for monetary damages against a director unless the stockholder can demonstrate a basis for liability for which indemnification is not available under the DGCL. These provisions, however, should not limit or eliminate our rights or any stockholder's rights to seek non-monetary relief, such as an injunction or rescission, in the event of a breach of a director's fiduciary duty. These provisions do not alter a director's liability under federal securities laws. The inclusion of this provision in our Charter may discourage or deter stockholders or management from bringing a lawsuit against directors for a breach of their fiduciary duties, even though such an action, if successful, might otherwise have benefited us and our stockholders. In addition, your investment may be adversely affected to the extent we pay costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Our Charter and our By-laws require us to indemnify and advance expenses to our directors and officers to the fullest extent not prohibited by the DGCL and other applicable law, except in the case of a proceeding instituted by the director without the approval of our board of directors. Our Charter and our By-laws provide that we are required to indemnify our directors and executive officers, to the fullest extent permitted by law, for all judgments, fines, settlements, legal fees and other expenses incurred in connection with pending or threatened legal proceedings because of the director's or officer's positions with us or another entity that the director or officer serves at our request, subject to various conditions, and to advance funds to our directors and officers to enable them to defend against such proceedings. To receive indemnification, the director or officer must have been successful in the legal proceeding or have acted in good faith and in what was reasonably believed to be a lawful manner in our best interest and, with respect to any criminal proceeding, have had no reasonable cause to believe his or her conduct was unlawful.

#### **Section 203 of Delaware General Corporation Law**

The Company is subject to Section 203 of the Delaware General Corporation Law ("Section 203"), an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date such person became an interested stockholder, unless the business combination or the transaction in which such person became an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person that, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board, including discouraging attempts that might result in a premium over the market price for the shares of common stock.

#### **Choice of Forum**

Our Charter provides that the Court of Chancery of the State of Delaware is, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed to us or our stockholders by any of our directors, officers, other employees, agents or stockholders, (iii) any action asserting a claim arising out of or under the DGCL or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware (including, without limitation, any action asserting a claim arising out of or pursuant to our Charter or our By-laws) or (iv) any action asserting a claim that is governed by the internal affairs doctrine. By becoming a stockholder in our company, you will be deemed to have notice of and have consented to the provisions of our Charter related to choice of forum.

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**Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company.

## SUBSIDIARIES OF SITEONE LANDSCAPE SUPPLY, INC.

As of the date of this filing, SiteOne Landscape Supply, Inc. has the following subsidiaries:

Entity Name	Jurisdiction of Formation
SiteOne Landscape Supply Midco, Inc.	Delaware
SiteOne Landscape Supply Bidco, Inc.	Delaware
SiteOne Landscape Supply Holding, LLC	Delaware
SiteOne Landscape Supply, LLC	Delaware
SiteOne Landscape Supply, Ltd.	Ontario, Canada
LESCO, Inc.	Ohio
Green Resource, LLC	North Carolina
GR4, LLC	North Carolina
Hydro-Scape Products, Inc.	California
Bissett Equipment Corp.	New York
American Builders Supply, Inc.	California
ABS Logistics LLC	Nevada
Masonry Club, Inc.	California
Canoga Masonry Supply, Inc.	California
Atlantic Irrigation Specialties, Inc.	New York
Atlantic Irrigation South, LLC	North Carolina
Atlantic Irrigation of Canada Inc.	Ontario, Canada
Sprinklersupplystore.com LLC (60% owned)	Delaware
Auto-Rain Supply, Inc.	Washington
LandscapeXpress, Inc.	Delaware
LandscapeXpress, Inc.	Massachusetts
Koppco, Inc.	Missouri
Kirkwood Material Supply, Inc.	Missouri
The Dirt Doctors, LLC	New Hampshire
Zaren Leasing, LLC	New Hampshire

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 333-211422 and 333-221464 on Form S-8 of our reports dated February 26, 2020, relating to the consolidated financial statements and financial statement schedule of SiteOne Landscape Supply, Inc. and subsidiaries ("the Company") and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of SiteOne Landscape Supply, Inc. for the year ended December 29, 2019.

*/s/ DELOITTE & TOUCHE LLP*

Atlanta, Georgia  
February 26, 2020



CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Doug Black, certify that:

1. I have reviewed this Annual Report on Form 10-K of SiteOne Landscape Supply, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2020

/s/ Doug Black

Doug Black

Chairman and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John T. Guthrie, certify that:

1. I have reviewed this Annual Report on Form 10-K of SiteOne Landscape Supply, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2020

/s/ John T. Guthrie

John T. Guthrie

Executive Vice President, Chief Financial Officer and Assistant Secretary (Principal Financial Officer and Principal Accounting Officer)

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of SiteOne Landscape Supply, Inc. (the "Company") on Form 10-K for the fiscal year ended December 29, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Doug Black, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 26, 2020

/s/ Doug Black

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Doug Black

Chairman and Chief Executive Officer

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of SiteOne Landscape Supply, Inc. (the "Company") on Form 10-K for the fiscal year ended December 29, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John T. Guthrie, the Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 26, 2020

/s/ John T. Guthrie

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John T. Guthrie

Executive Vice President, Chief Financial Officer and Assistant Secretary (Principal Financial Officer and Principal Accounting Officer)

COUNTY OF NASSAU

CONSULTANT'S, CONTRACTOR'S AND VENDOR'S DISCLOSURE FORM

1. Name of the Entity: SiteOne Landscape Supply, dba All Pro Horticulture

Address: 1385 East 36th Street

City: Cleveland State/Province/Territory: OH Zip/Postal Code: 44114

Country: US

2. Entity's Vendor Identification Number: 364485550

3. Type of Business: Ltd. Liability Co (specify) \_\_\_\_\_

4. List names and addresses of all principals; that is, all individuals serving on the Board of Directors or comparable body, all partners and limited partners, all corporate officers, all parties of Joint Ventures, and all members and officers of limited liability companies (attach additional sheets if necessary):

1 File(s) uploaded 2019-2020 Slate of Officers - Board of Managers -Sole Member - SiteOne Landscape Supply LLC (as of February 5 2020).pdf

*No principals have been attached to this form.*

5. List names and addresses of all shareholders, members, or partners of the firm. If the shareholder is not an individual, list the individual shareholders/partners/members. If a Publicly held Corporation, include a copy of the 10K in lieu of completing this section.

If none, explain.

1 File(s) uploaded 10-K Form.pdf

*No shareholders, members, or partners have been attached to this form.*

6. List all affiliated and related companies and their relationship to the firm entered on line 1. above (if none, enter "None"). Attach a separate disclosure form for each affiliated or subsidiary company that may take part in the performance of this contract. Such disclosure shall be updated to include affiliated or subsidiary companies not previously disclosed that participate in the performance of the contract.

1 File(s) uploaded List of SiteOne entities (Parent Subs - FEINS as of August 18 2020).docx

7. List all lobbyists whose services were utilized at any stage in this matter (i.e., pre-bid, bid, post-bid, etc.). If none, enter "None." The term "lobbyist" means any and every person or organization retained, employed or designated by any client to influence - or promote a matter before - Nassau County, its agencies, boards, commissions, department heads, legislators or committees, including but not limited to the Open Space and Parks Advisory Committee and Planning Commission. Such matters include, but are not limited to, requests for proposals, development or improvement of real property subject to County regulation, procurements. The term "lobbyist" does not include any officer, director, trustee, employee, counsel or agent of the County of Nassau, or State of New York, when discharging his or her official duties.

Are there lobbyists involved in this matter?

YES ☐ NO ☒

(a) Name, title, business address and telephone number of lobbyist(s):

none

(b) Describe lobbying activity of each lobbyist. See below for a complete description of lobbying activities.

n/a

(c) List whether and where the person/organization is registered as a lobbyist (e.g., Nassau County, New York State):

n/a

8. VERIFICATION: This section must be signed by a principal of the consultant, contractor or Vendor authorized as a signatory of the firm for the purpose of executing Contracts.

The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

Electronically signed and certified at the date and time indicated by:

Eric Ramirez [ERAMIREZ@SITEONE.COM]

Dated: 03/04/2021 12:12:07 PM

Title: Production Manager

**The term lobbying shall mean any attempt to influence:** any determination made by the Nassau County Legislature, or any member thereof, with respect to the introduction, passage, defeat, or substance of any local legislation or resolution; any determination by the County Executive to support, oppose, approve or disapprove any local legislation or resolution, whether or not such legislation has been introduced in the County Legislature; any determination by an elected County official or an officer or employee of the County with respect to the procurement of goods, services or construction, including the preparation of contract specifications, including by not limited to the preparation of requests for proposals, or solicitation, award or administration of a contract or with respect to the solicitation, award or administration of a grant, loan, or agreement involving the disbursement of public monies; any determination made by the County Executive, County Legislature, or by the County of Nassau, its agencies, boards, commissions, department heads or committees, including but not limited to the Open Space and Parks Advisory Committee, the Planning Commission, with respect to the zoning, use, development or improvement of real property subject to County regulation, or any agencies, boards, commissions, department heads or committees with respect to requests for proposals, bidding, procurement or contracting for services for the County; any determination made by an elected county official or an officer or employee of the county with respect to the terms of the acquisition or disposition by the county of any interest in real property, with respect to a license or permit for the use of real property of or by the county, or with respect to a franchise, concession or revocable consent; the proposal, adoption, amendment or rejection by an agency of any rule having the force and effect of law; the decision to hold, timing or outcome of any rate making proceeding before an agency; the agenda or any determination of a board or commission; any determination regarding the calendaring or scope of any legislature oversight hearing; the issuance, repeal, modification or substance of a County Executive Order; or any determination made by an elected county official or an officer or employee of the county to support or oppose any state or federal legislation, rule or regulation, including any determination made to support or oppose that is contingent on any amendment of such legislation, rule or regulation, whether or not such legislation has been formally introduced and whether or not such rule or regulation has been formally proposed.



**Stronger Together**

**SITEONE LANDSCAPE SUPPLY, LLC**

**Slate of Officers** *(as of February 5, 2020)*

Doug Black	Chairman, President & Chief Executive Officer
Charles Blum	Regional Vice President, Region 5
Jason Brewster	Regional Vice President, Region 8
Briley Brisendine	Executive Vice President, General Counsel & Secretary
Scott Caringella	Regional Vice President, Region 10
Steve Counter	Vice President, Category Management
Jeff Domenick	Regional Vice President, Region 12
Eric Elema	Vice President, Corporate Controller & Assistant Treasurer
John Guthrie	Executive Vice President, Chief Financial Officer, Treasurer & Assistant Secretary
Matt Hart	President, West Division
Jarold Justice	Regional Vice President, Region 2
Joe Ketter	Senior Vice President, Human Resources & Assistant Secretary
Taylor Koch	President, East Division
Sean Kramer	Vice President & Chief Information Officer
Ron Miller	Regional Vice President, Region 4
Kevin Natella	Regional Vice President, Region 6
Mark Nattinger	Regional Vice President, Region 7
Michael Palmgren	Vice President, Pricing & Business Intelligence
Brian Rowan	Vice President, Category Management
Scott Salmon	Executive Vice President, Strategy & Development
Greg Weller	Senior Vice President - Operations

**Board of Managers** *(as of May 15, 2019)*

Doug Black  
Briley Brisendine  
John Guthrie

**Sole Member**

SiteOne Landscape Supply Holding, LLC (f/k/a JDA Holding LLC)



SiteOne Landscape Supply, Inc., a Delaware corporation (FEIN: 46-4056061)

SiteOne Landscape Supply Midco, Inc., a Delaware corporation (FEIN: 46-4066980)

SiteOne Landscape Supply Bidco, Inc., a Delaware corporation (FEIN: 46-4048772)

SiteOne Landscape Supply Holding, LLC, a Delaware limited liability company (FEIN: 36-4485550)

SiteOne Landscape Supply, LLC, a Delaware limited liability company (FEIN: 36-4485550)

LESCO, Inc., an Ohio corporation (FEIN: 34-0904517)

Hydro-Scape Products, Inc., a California corporation (FEIN: 95-3157215)

SiteOne Landscape Supply, Ltd. *(Incorporated in Ontario, Canadian) (Other Provinces: Alberta, British Columbia, Manitoba, Saskatchewan & Quebec) (FEIN: 98-0410070)*

Green Resource, LLC, a North Carolina limited liability company (FEIN: 20-1417050)

GR4, LLC, a North Carolina limited liability company (FEIN: 20-1417050)

Bissett Equipment Corp, a New York corporation (FEIN: 11-3121152)

American Builders Supply, Inc., a California corporation (FEIN: 95-3253815)

ABS Logistics LLC, a Nevada limited liability company (FEIN: 81-4279825)

MasonryClub, Inc., a California corporation (FEIN: 95-4197724)

Canoga Masonry Supply, Inc., a California corporation (FEIN: 95-4547912)

Atlantic Irrigation South, LLC, a North Carolina limited liability company (FEIN: 20-4478035)

Atlantic Irrigation Specialties, Inc., a New York corporation (FEIN: 11-2496743)

Atlantic Irrigation of Canada Inc., *(Incorporated in Ontario, Canada) (Other Provinces: Quebec) (No US Equivalent FEIN per Adam Bellissimo)*

Auto Rain Supply, Inc., a Washington corporation (FEIN: 91-1936053)

LandscapeXpress, Inc., a Delaware corporation (FEIN: 04-3455782)

LandscapeXpress, Inc., a Massachusetts corporation (FEIN: 04-3222950)

Kirkwood Material Supply, Inc., a Missouri corporation (FEIN: 43-1392945)

Koppco, Inc., a Missouri corporation (FEIN: 43-0988673)

The Dirt Doctors, LLC, a New Hampshire limited liability company (FEIN: 02-0627921)

Zaren Leasing, LLC, a New Hampshire limited liability company (FEIN: 02-0517425)

Modern Builders Supply, Inc., a California corporation (FEIN: 33-0433198)



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
03/03/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> MARSH USA, INC. TWO ALLIANCE CENTER 3560 LENOX ROAD, SUITE 2400 ATLANTA, GA 30326 Attn: Michelle.W.Robles@marsh.com CN117936603-GAW-20-21	<b>CONTACT NAME:</b>	
	<b>PHONE (A/C, No, Ext):</b>	<b>FAX (A/C, No):</b>
<b>INSURED</b> SiteOne Landscape Supply, Inc. & its subsidiaries dba All Pro Horticulture 80 East Gates Avenue Lindenhurst, NY 11757	<b>E-MAIL ADDRESS:</b>	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
	<b>NAIC #</b>	
	<b>INSURER A:</b> Liberty Mutual Fire Insurance Company	
	23035	
	<b>INSURER B:</b> Liberty Insurance Corporation	
	42404	
<b>INSURER C:</b>		
<b>INSURER D:</b>		
<b>INSURER E:</b>		
<b>INSURER F:</b>		

## COVERAGES

CERTIFICATE NUMBER:

ATL-005221638-01

REVISION NUMBER: 4

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> SIR: \$100,000  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:			EB2-651-292547-020	12/23/2020	12/23/2021	EACH OCCURRENCE \$ 2,000,000	
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000	
							MED EXP (Any one person) \$ 10,000	
							PERSONAL & ADV INJURY \$ 2,000,000	
							GENERAL AGGREGATE \$ 4,000,000	
							PRODUCTS - COMP/OP AGG \$ 4,000,000	
A	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			AS2-651-292547-030	12/23/2020	12/23/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 3,000,000	
							BODILY INJURY (Per person) \$	
							BODILY INJURY (Per accident) \$	
							PROPERTY DAMAGE (Per accident) \$	
	<input type="checkbox"/> <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE  DED \$ RETENTION \$						EACH OCCURRENCE \$	
							AGGREGATE \$	
B	<input checked="" type="checkbox"/> <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N	N/A	WA7-65D-292547-010 (AOS)	12/23/2020	12/23/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER
								E.L. EACH ACCIDENT \$ 1,000,000
								E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
								E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Nassau County is/are included as Additional Insured as required by written contract subject to the policy terms and conditions with respect to General Liability and Auto Liability.

## CERTIFICATE HOLDER

## CANCELLATION

Nassau County, NY  
1550 Franklin Ave  
Mineola, NY 11501

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE  
of Marsh USA Inc.

Stanton Reid

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OFFICE OF PURCHASING				SUMMARY OF BIDS										DETAILS OF AWARD			
OPENED: MAY 21, 2020 AT 11 A.M.																	
BID NO: 8720-05210-066																	
REQ. NO: N/A																	
TITLE: HORTICULTURE PRODUCTS																	
ITEM #	ARTICLE	QTY	UNIT	1	2	3	4	5	7	8	9	10	11	12	13	TO NO.	AMOUNT
1	ANDERSONS 13-0-26 FERTILIZER	50	BAG	NB	56.00	56.00	56.00										
2	ANDERSONS 13-20-20 FERTILIZER	400	BAG	NB	38.00	NB	36.73										
3	ANDERSONS 18-24-12 FERTILIZER	600	BAG	21.65 (SEE BID)	17.50 (SEE BID)	25.85	18.78 (SEE BID)										
4	ANDERSONS 19-0-15 FERTILIZER	50	BAG	NB	NB	54.50	54.50										
5	ANDERSONS 19-26-5 FERTILIZER	65	BAG	40.65 (SEE BID)	NB	35.75	38.15										
6	21-0-0 SPRAYABLE FERTILIZER	50	BAG	NB	16.50	14.45	15.85										
7	21-0-0 GRANULAR FERTILIZER	50	BAG	27.65	20.00	12.85	15.35										
8	ANDERSONS 31-0-10 FERTILIZER	100	BAG	38.25 (SEE BID)	26.00 (SEE BID)	34.75 (SEE BID)	29.91 (SEE BID)										
9	ANDERSONS 46-0-0 FERTILIZER	50	BAG	27.95 (SEE BID)	NB	26.80	NB										
10	HOLGANIX 666C CT LIQUID COMPOST	100	CS	NB	NB	NB	171.58										
11	NUTRALENE 22-0-22 FERTILIZER, COARSE	750	BAG	36.45 (SEE BID)	23.50 (SEE BID)	NB	28.73										
12	NUTRALENE 22-0-22 FERTILIZER	60	BAG	NB	32.40 (SEE BID)	NB	29.73										
13	MINI GRADE FERTILIZER	80	BAG	NB	NB	NB	NB										
14	NUTRALENE 40-0-0 FERTILIZER, COARSE	250	BAG	NB	NB	43.20	34.83										
15	MAXWELL TURF FORMULATION FERTILIZER	30	BAG	NB	NB	NB	24.79 (SEE BID)										
16	0-0-50 POTASSIUM SULFATE	50	BAG	NB	36.50	24.20	35.15										
17	NATURE SAFE 8-3-5	100	BAG	NB	37.00	NB	35.81 (SEE BID)										
18	EARTH WORKS PROTEIN PLUS 14-2-6	4	CS	NB	NB	NB	97.11 (SEE BID)										
19	EARTH WORKS TRILOGY TBS 1-5-6	2	CS	NB	NB	NB	241.97 (SEE BID)										
20	EARTH WORKS CAL-VANTAGE 2x2.5	4	CS	NB	NB	NB	111.11 (SEE BID)										
21	FERROMEC AC LIQUID IRON 15-0-0	10	CS	NB	79.00 (SEE BID)	54.75	110.00 (SEE BID)										
22	CALIBER COTE 18-6-12	15	BAG	NB	NB	54.92	NB										
23	UMAXX 46-0-0 SPRAYABLE FERTILIZER	300	BAG	NB	32.00	33.00	29.33										
24	W F GRAYTV 38 SPECIAL PHOSPHITE FERTILIZER	36	CS	176.45 (SEE BID)	159.00	NB	217.97 (SEE BID)										
25	ACELEPRYN INSECTICIDE	10	BAG	NB	4046.00	2223.00	4046.00										
26	DYLOX 420 SL INSECTICIDE	25	BAG	NB	348.50 (SEE BID)	195.00 (SEE BID)	331.13 (SEE BID)										
27	REFERENCE INSECTICIDE 2x8 OZ	10	CS	NB	3440.00	3440.00	1720.00										
28	PROVAUNT INSECTICIDE 8/10 OZ	10	CS	NB	381.60 (SEE BID)	852.00 (SEE BID)	852.00 (SEE BID)										
29	TEMPRO SC ULTRA INSECTICIDE 8/800 ML	15	CS	NB	1600.00	1427.00	1297.53										
30	MERIT 75 WSP INSECTICIDE	15	CS	NB	1255.00 (SEE BID)	187.00 (SEE BID)	(SEE BID)										
31	MERIT 0.5 G INSECTICIDE	10	BAG	NB	28.00 (SEE BID)	24.35 (SEE BID)	24.13										
32	SCIMITAR GC INSECTICIDE	10	CS	NB	414.00 (SEE BID)	1300.00	373.91 (SEE BID)										
33	SEVIN SL CARBYL INSECTICIDE	10	CS	NB	259.00	258.00	215.25										
34	ALLETTE SIGNATURE FUNGICIDE	8	CS	NB	1295.00 (SEE BID)	NB	(SEE BID)										
35	ARMOR TECH TEB 360 FOLAR FUNGICIDE	25	CS	NB	269.00 (SEE BID)	NB	212.91										
36	BANNER MAXX FUNGICIDE 2x1	40	CS	NB	436.00	436.00	218.00 (SEE BID)										
37	BANOL FUNGICIDE 2x2.5 GAL	35	CS	NB	1965.00	1965.00	1965.00 (SEE BID)										
38	BAYLETON 50 WSP FUNGICIDE 50X11	22	DRUM	NB	650.00 (SEE BID)	NB	(SEE BID)										
39	BAYLETON 50 WSP FUNGICIDE 4X3X5.5	4	CS	NB	650.00	NB	(SEE BID)										
40	CHIPCO 28019 FUNGICIDE 2x2.5	8	CS	NB	297.00	311.00 (SEE BID)	253.13										
41	CIVITAS FUNGICIDE 55 GAL	40	DRUM	NB	NB	NB	NB										

SUMMARY OF BIDDING																DETAILS OF AWARD																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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TITLE: HORTICULTURE PRODUCTS				ISLAND BIO GREENS				METRO MILORGANITE, INC.				ALL PRO HORTICULTURE, INC.				NASSAU SUFFOLK TURF SERVICE																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			

ITEM #	ARTICLE	QTY	UNIT	ISLAND BIO GREENS	METRO MILORGANITE, INC.	ALL PRO HORTICULTURE, INC.	NASSAU SUFFOLK TURF SERVICE	5	7	8	9	10	11	12	13	TO NO.	AMOUNT	DETAILS OF AWARD
82	FESCUE/BLUEGRASS BLEND SEED	500	LB	1	2	3	4											
83	DELUXE SHADE MIX	600	LB	NB	NB	1.49 (SEE BID)	1.29											
84	RAIDER TG SPRAY ADJUVANT	2	CS	NB	NB	1.49	NB											
85	REVOLUTION WETTING AGENT	10	PAIL	NB	522.50	NB	328.00 (SEE BID)											
86	SIXTEEN 90 LIQUID, SURFACANT, 5 GAL	10	PAIL	379.50 (SEE BID)	382.00	NB	363.12 (SEE BID)											
87	SIXTEEN 90 GRANULAR, SURFACANT, 40 LBS	10	BAG	NB	143.45	NB	79.93 (SEE BID)											
88	AQUA-AID PELLETS, WETTING AGENT	5	CS	NB	500.00	NB	318.43 (SEE BID)											
89	PERVADE PREMIER WETTING AGENT & PENETRANT	5	CS	194.50 (SEE BID)	NB	NB	291.23 (SEE BID)											
90	PROPEL WETTING AGENT	1	DRUM	1135.00 (SEE BID)	NB	NB	3298.17 (SEE BID)											
91	PRIMO MAXX PLANT GROWTH REGULATOR	20	CS	NB	639.00 (SEE BID)	580.00	98.83 (SEE BID)											
92	PROXY PLANT GROWTH REGULATOR	20	CS	NB	220.00	147.00 (SEE BID)	141.43											
93	FOAM-BUSTER, A SILICONE DEFAMING AGENT	10	CS	154.50 (SEE BID)	130.00	168.00 (SEE BID)	165.83											
94	GYP-SUM, PELLETTIZED	15	BAG	NB	18.00	8.25 (SEE BID)	5.83											
95	LIMESTONE, GRANULAR GREENS GRADE	25	BAG	NB	25.00	4.36 (SEE BID)	7.11											
96	LIMESTONE, PULVERIZED	10	BAG	NB	NB	3.85	NB											
97	LIMESTONE, PELLETTIZED GREENS GRADE	25	BAG	NB	13.00	7.10	7.11											
98	LIMESTONE CALCTIC, PELLETTIZED BULK	50	TONS	NB	1840.00	244.00	NB											
99	COST TO SPREAD LIMESTONE	100	ACRE	NB	NB	1500.20 (SEE BID)	NB											
100	GUIDELINE MARKING LINE	200	BAG	NB	NB	5.15	5.40											
101	TURFACE ATHLETICS MWP	600	BAG	NB	NB	12.70	14.09											
102	RAINOUT FIELD DRYING AGENT	10	BUC	NB	NB	13.10 (SEE BID)	NB											
103	GOLF SOIL TEST	2	ANNUALLY	45.00 (SEE BID)	3200.00	NB	NB											
PREPARED BY				TERMS	NET	1%	NET	3%	NET	NET	NET	NET	NET	NET	NET	NET		

Vaughn Banks hereby certifies that the bids listed above were opened at the time and place specified therein and that the above is a correct transcription from all original bids received.  
 Date 5/21/20 VPB  
 PUBLIC BID OFFICER

# FORMAL SEALED BID PROPOSAL

	STATE OF NEW YORK		<b>BID NUMBER</b> 8720-05210-066
	<b>COUNTY OF NASSAU</b>  BIDS WILL BE RECEIVED AND OPENED AT OFFICE OF PURCHASING, 1 WEST STREET, NORTH ENTRANCE, MINEOLA, NEW YORK 11501 OFFICE HOURS 9 AM – NOON & 1 PM – 4:45 PM		<b>Dated:</b> 4/30/20
			<b>BID OPENING DATE</b> 5/21/20 11:00 A.M. D.S.T.
<b>BUYER</b> Deirdre Ciminera		<b>TELEPHONE</b> 516-571-5820	<b>REQUISITION NUMBER</b> <div style="text-align: right;"><b>OFFICE OF PURCHASING</b></div>

PREPARE YOUR BID ON THIS FORM USING BLACK INK OR TYPEWRITER

**BID TITLE:** Horticulture Products

MAY 21 2020

- ALL BIDS MUST BE F.O.B. DESTINATION AND INCLUDE DELIVERY WITHIN DOORS UNLESS OTHERWISE SPECIFIED

THE UNDERSIGNED BIDDER AFFIRMS AND DECLARES THAT HE/SHE HAS CAREFULLY EXAMINED THE ADVERTISING INFORMATION AND BIDS, THE BID TERMS AND CONDITIONS, AND DETAILED SPECIFICATIONS, AND CERTIFIES THAT THIS BID IS SIGNED WITH FULL KNOWLEDGE AND ACCEPTANCE OF ALL THE PROVISIONS THEREOF AND OFFERS AND AGREES, IF THIS BID IS ACCEPTED WITHIN NINETY (90) DAYS FROM THE BID OPENING DATE TO FURNISH ANY OR ALL THE ITEMS UPON WHICH PRICES ARE HEREINAFTER QUOTED IN THE QUANTITY AND AT THE PRICES BID.


CASH DISCOUNT OF 0% PERCENT WILL BE ALLOWED FOR PROMPT PAYMENT WITHIN 20 BUSINESS DAYS.

THE BIDDER CERTIFIES THAT: (A) THE BID HAS BEEN ARRIVED AT BY THE BIDDER INDEPENDENTLY AND HAS BEEN SUBMITTED WITHOUT COLLUSION WITH ANY OTHER VENDOR OF MATERIALS, SUPPLIES OR EQUIPMENT OF THE TYPE DESCRIBED IN INVITATION FOR BIDS, AND (B) THE CONTENTS OF THE BID HAVE NOT BEEN COMMUNICATED BY THE BIDDER, NOR, TO ITS BEST KNOWLEDGE AND BELIEF, BY ANY OF ITS EMPLOYEES OR AGENTS, TO ANY PERSON NOT AN EMPLOYEE OR AGENT OF BIDDER OR ITS SURETY ON ANY BOND FURNISHED HERewith PRIOR TO OFFICIAL OPENING OF THE BID.

<b>DELIVERY MADE TO:</b> Nassau County Department of Parks	<b>GUARANTEED DELIVERY DATE</b> <div style="text-align: center; font-size: 1.5em;">3</div> DAYS AFTER RECEIPT OF ORDER
<b>EMPLOYERS FEDERAL TAX ID NUMBER</b> <div style="text-align: center;">36 4485550</div>	

**TOLL FREE TELEPHONE NUMBER:**

**BIDS MUST BE SIGNED BY PROPRIETOR, PARTNER OR OFFICER AUTHORIZED TO SIGN FOR CORPORATION**

<b>NAME OF BIDDER</b> <u>ALL PRO HORTICULTURE</u>			
<b>ADDRESS</b> <u>80 EAST GATES AVE</u>			
<b>CITY</b> <u>LINDENHURST</u>	<b>STATE</b> <u>N.Y.</u>	<b>ZIP CODE</b> <u>11757</u>	<b>TELEPHONE</b> <u>631-789-6680</u>
<b>SIGNATURE OF AUTHORIZED INDIVIDUAL</b>		<b>PRINT OR TYPE NAME OF SIGNER AND TITLE</b>	
		<u>JOHN SEIB</u>	

IN EXECUTING THIS BID, THE BIDDER WARRANTS THAT THE PRICES SUBMITTED HEREIN ARE NOT HIGHER THAN THOSE OFFERED TO ANY GOVERNMENTAL OR COMMERCIAL CONSUMER FOR LIKE DELIVERIES. THE PRICES HEREIN SHOULD NOT INCLUDE ANY FEDERAL EXCISE TAXES OR SALES TAXES IMPOSED BY ANY STATE OR MUNICIPAL GOVERNMENT. SUCH TAXES, IF INCLUDED, MUST BE DEDUCTED BY THE BIDDER WHEN SUBMITTING BID. BIDDERS ARE REQUESTED TO ALSO READ THE TERMS AND CONDITIONS.

### BID TERMS AND CONDITIONS

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. Bids on equipment must be on standard new equipment, latest model, except as otherwise specifically stated in proposal or detailed specification. Where any part of nominal appurtenances of equipment is not described, it shall be understood that all equipment and appurtenances which are usually provided in the manufacturer's stock model shall be furnished.</li> <li>2. Bids on materials and supplies must be for new items except as otherwise specifically stated in bid or detailed specifications.</li> <li>3. Bidder declares that the bid is made without any connection with any other Bidder, submitting a bid for the same items, and in all respects fair and without collusion or fraud.</li> </ol> | <ol style="list-style-type: none"> <li>4. <b>PRICES</b> The provisions of the New York State Fair Trade Law (Fedor-Crawford Act) and the federal price discrimination law (Robinson-Patman Act) do not apply to purchases made by the County.</li> <li>5. <b>SURETY</b> In the event that an award is made hereunder, The Director of Purchase reserves the right to request successful bidders to post, within one week, security for faithful performance, with the understanding that the whole or any part thereof may be used by the County of Nassau to supply any deficiency that may arise from any default on the part of the Bidder. Such security must meet all the requirements of the County Attorney and be approved by the County Attorney.</li> </ol> |
|---|---|

6. **SAMPLES** Samples, when required, must be submitted strictly in accordance with instructions; otherwise bid may not be considered. If samples are requested subsequent to bid opening they shall be delivered within five (5) days of the request for bid to have consideration. Samples must be furnished free of charge and must be accompanied by descriptive memorandum invoices indicating if the Bidder desires their return; also specifying the address to which they are to be returned, provided they have not been used or made useless by tests. Award samples may be held for comparison with deliveries. Samples will be returned at the Bidders risk and expense.
7. **Award** The Director, Office of Purchasing reserves the right before making award to make investigations as to whether or not the items, qualifications or facilities offered by the Bidder meet the requirements set forth herein and are sample and sufficient to insure the proper performance in the event of award. The Bidder must be prepared, if requested by the Director, to present evidence of experience, ability and financial standing, as well as a statement as to plant, machinery and capacity of the manufacturer for the production and distribution of the material on which he is bidding. Upon request of the Director, successful bidder shall file certification from the manufacturer relative to authorization, delivery, service and guarantees. If it is found that the conditions of the bids are not complied with or that articles or equipment proposed to be furnished do not meet the requirements called for, or that the qualification, financial standing or facilities are not satisfactory, the Director may reject such bids. It is distinctly understood, however, that nothing in the foregoing shall mean or imply that it is obligatory upon the Director to make any examinations before award; and it is further understood that, if such examination is made, it in no way relieves the Bidder from fulfilling all requirements and conditions of the bid.
8. **Awards** will be made to the lowest responsible Bidder. Cash discounts will not be a factor in determining awards, except in tie bids. Consideration will be given to the reliability of the Bidder, the quantities of the materials, equipment or supplies to be furnished, their conformity with the specifications, the purpose for which required and the terms of delivery.
9. The Director reserves the right to reject and all bids in whole or in part and to waive technical defects, irregularities and omissions if in his judgment the best interests of the County will be served.
10. Unless otherwise indicated herein, the Director reserves the right to make award by items, by classes, by group of items, or as a whole.
11. **DELIVERIES** Upon failure of the Vendor to deliver within the time specified, or within reasonable time as interpreted by the Director, or failure to make replacement of rejected articles, when so requested immediately or as directed by the Director, the Director may purchase from other sources to take the place of the item rejected or not delivered. The Director reserves the right to authorize immediate purchase from other sources against rejections on any order when necessary. On all such purchases the Vendor agrees to promptly reimburse the County for excess cost occasioned by such purchases. Should the cost be less, the Vendor shall have no claim to the difference. Such purchases will be deducted from order quantity.
12. An order may be canceled at the Vendors expense upon nonperformance. Failure of the Vendor to furnish additional surety within ten (10) days from date of requested shall be sufficient cause for the cancellation of the order.
13. When in the determination of the Director, the articles or equipment delivered fail to meet County specifications or, if in the determination of the Director, the Vendor consistently fails to deliver as ordered, the Director reserves the right, to cancel the order and purchase the balance from other sources at Vendor expense.
14. Delivery must be made as ordered and in accordance with the bid. If delivery instructions do not appear on order. It will be interpreted to mean prompt delivery. The decision of the Director as to reasonable compliance with delivery terms shall be final. Burden of proof of delay in receipt of order shall rest with the Vendor.
15. The County Agencies will not schedule any deliveries for Saturdays, Sundays or Legal Holiday, except commodities required for daily consumption or where the delivery is an emergency, a replacement, or is overdue, in which event the convenience of the Agency will govern.
16. Supplies shall be securely and properly packed for shipment, according to accepted commercial practice, without extra charge for packing cases, reels, bailing or sacks, the containers to remain the property of the agency unless definitely stated otherwise in the bid.
17. The Vendor shall be responsible for delivery of supplies in good condition at point of destination. The Vendor shall file all claims with carrier for breakage, imperfections and other losses, which will be deducted from invoices. The receiving Agency will note for the benefit of Vendor when packages are not received in good conditions.
18. All supplies which are customarily labeled or identified must have securely affixed thereto the original un-mutilated label or marking of the manufacturer.
19. Billings for deliveries must be rendered on County claim forms.
20. Furniture, machines, and other equipment must be delivered, installed and set in place as directed, ready for use unless otherwise specified.
21. Deliveries are subject to reweighing at destination by the County and payment will be made on the basis of materials delivered. Normal shrinkage will be allowed in such instances where shrinkage is possible. Short weight shall be sufficient cause for cancellation of order at Vendors expense.
22. **GUARANTEES BY BIDDER** Bidder hereby guarantees: (a) To save the County, its agents and employees harmless from liability of any nature or kind for the use of any copyrighted or un-copyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance hereof of which the Bidder is not the Patentee, assignee or licensee, and to defend any action brought against the County in the name of the County and under the direction of the County Attorney at the sole cost of the Bidder or in the sole option of the Director to pay the cost of such defense to the County. (b) His products against defective material or workmanship and to repair any damages or marring occasioned in transit.
  - (c) To furnish adequate protection from damage for all work and to repair damages of any kind, for which he or his workmen are responsible, to the building or equipment, to this own work or the work of other Vendors, or in the opinion of the Director to pay for the same by deductions in payments due under this contract.
  - (d) To pay for all permits, licenses and fees and give all notices and comply with all laws ordinances, rules and regulations of the city, village or town in which the installation his to be made, and of the County of Nassau and the State of New York.
  - (e) To carry proper insurance in the opinion of the Director, and approved by the County Attorney to protect the County from loss in case of accident, fire and theft.
  - (f) That he will keep himself fully informed, of all municipal ordinances and regulations, state and national laws in any manner affecting the work or goods herein specified, and any extra work contracted for by him, and shall at all times observe and comply with said ordinances, laws and regulations, including all provisions of the Workmen Compensation and Labor Laws, and shall indemnify and save harmless the County of Nassau and the Nassau County Legislature from loss and liability upon any and all Claims on account of any physical injury to persons, including death, or damage to property and from all cost and expenses in suits which may be brought against the same on account of such injuries irrespective of the actual cost of the same and irrespective of whether the same shall have been due to the negligence of the Bidder or his agents.
  - (g) That the items furnished shall conform to all the provisions of the bid and this warranty shall survive acceptance, or use of any material so furnished.
  - (h) That all deliveries will not be inferior to the accepted bid sample.
23. **LABOR LAWS and ANTIDISCRIMINATION.** Upon the vendor acceptance hereof, the vendor agrees to comply with Article IX, Section 2 C of the Constitution of the State of New York, Section 220 220a, 220b, 220d, 220e and 230 of the Labor Law, Section 5 and 12 of the Lien Law, Article 2 of the Uniform Commercial Code, Sections 108 and 109 as well as Article 18 of the General Municipal Law, Section 2218 of the County Government Law of Nassau County. Section 224.2 of the Nassau County Administrative Code, the provisions of the anti-Discrimination Order of Nassau County, and the vendor shall keep himself fully informed of all additional municipal ordinances and regulations, State and National Laws in any manner affecting this order and the goods or services delivered or rendered or to be delivered or rendered there under, and shall at all times observe and comply with said ordinances, laws and regulations at his sole cost and expense.
24. **ASSIGNMENT.** The contractor is hereby prohibited from assigned, transferring, conveying, subletting or otherwise disposing of this contract or his right, title, or interest therein, or his power to execute such contract, to any other person or corporation without the previous consent in writing of the officer, board or agency awarding the contract.
25. The County of Nassau will not be responsible nor liable for any shipment or delivery of any materials, supplies, or equipment without it's express written instructions or valid Purchase Order.
26. No agreements, changes, modifications or alterations shall be deemed effective nor shall the same be binding upon the County unless in writing and signed by the Director, Office of Purchasing or his duly/ designated representative.

Director, Office of Purchasing



## DISCLOSURE STATEMENT

THE NASSAU COUNTY LEGISLATURE REQUIRES THE FOLLOWING INFORMATION PRIOR TO CONSIDERATION FOR AN AWARD.

Bidders Name: ALL PRO HORTICULTURE

Address: 80 East GATES AVE LINDENHURST N.Y. 11757

Telephone No: 631-789-6680 Fax No: 631-789-5711

1. State Whether: A Corporation ALL PRO HORTICULTURE IS OWNED BY  
Individual SITE ONE LANDSCAPING a publicly Traded  
Partnership \_\_\_\_\_ company.

## GUIDELINES FOR DISCLOSURE

THE NASSAU COUNTY LEGISLATURE REQUIRES THE NAMES AND HOME\* ADDRESSES OF ALL PRINCIPALS. DISCLOSURE MUST BE PROVIDED AS INDICATED BY TYPE OF OWNERSHIP. (PLEASE LIST ALL REQUIRED INFORMATION ON A SEPARATE SHEET AND ATTACH TO BID.)

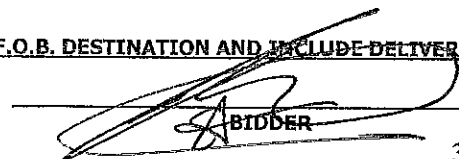
- 1) Sole Proprietorship/Individual. The Name and Home Address of the Sole Proprietorship/Individual.
- 2) Closely Held Corporation. The Name and Home Addresses of all Shareholders, Officers and Directors.
- 3) Publicly Traded Corporation. Only the page(s) of the SEC FORM 10-K setting forth the name of all officers and directors.
- 4) Not for Profit Corporation. The Names and Home Addresses of all members, Officer and Directors.
- 5) Partnership. The Names and Home Address of all General and Limited Partners.
- 6) Limited Liability Company. The Names and Home Addresses of all Members.
- 7) Limited Liability Partnership. The Name and Home Addresses of all Members.
- 8) Joint Venture. The Names and Home Addresses of all Joint Ventures.

NOTE: IF ANY ENTITY IS TIERED, YOU MUST ALSO LIST ALL INDIVIDUAL PRINCIPALS OF THE TIERED ENTITY.  
\*IN THE CASE OF PUBLICLY TRADED CORPORATIONS THE SEC FORM 10K SUFFICES AND HOME ADDRESSES ARE NOT NECESSARY.

ALL PRO HORTICULTURE is OWNED BY  
SITE ONE LANDSCAPE a publicly Traded Corporation

ALL BIDS MUST BE F.O.B. DESTINATION AND INCLUDE DELIVERY WITHIN DOORS UNLESS OTHERWISE SPECIFIED.

BIDDER SIGN HERE

  
BIDDER

JOHN SEIB

General Manager  
TITLE

QUALIFICATION STATEMENT

BIDDER'S NAME:

ALL PRO HORTICULTURE

ADDRESS:

80 EAST GATES Ave. LINDENHURST N.Y. 11757

1. STATE WHETHER: CORPORATION X INDIVIDUAL \_\_\_\_\_ PARTNERSHIP \_\_\_\_\_

2. IF A CORPORATION OR PARTNERSHIP LIST NAME(S) AND ADDRESS(S) OF OFFICER(S) OR MEMBER(S)  
PRESIDENT

ALL PRO HORTICULTURE IS OWNED

VICE PRESIDENT

By Site ONE LANDSCAPE

SECRETARY

A publicly Traded company

TREASURER

3. HAVE YOU FILED A QUALIFICATION STATEMENT WITH THE COUNTY OF NASSAU? YES  
IF SO WHEN?

AT LAST Bid

4. HOW MANY YEARS HAS YOUR ORGANIZATION BEEN IN BUSINESS UNDER YOUR PRESENT NAME? 20 YEARS

5. HAVE YOU, OR YOUR FIRM, EVER FAILED TO COMPLETE ANY WORK AWARDED TO YOU? NO  
IF SO, WHERE AND WHY?

6. IN WHAT OTHER LINES OF BUSINESS ARE YOU OR YOUR FIRM INTERESTED? HORTICULTURAL  
PRODUCTS

7. WHAT IS THE EXPERIENCE OF THE PRINCIPAL INDIVIDUALS OF YOUR ORGANIZATION RELATING TO THE SUBJECT  
OF THIS BID?

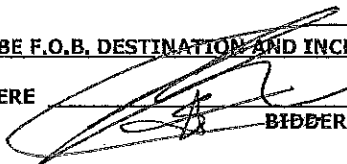
INDIVIDUALS NAME	PRESENT POSITION	YEARS OF EXPERIENCE	MAGNITUDE AND TYPE OF WORK	IN WHAT CAPACITY
<u>JOHN SEIB</u>	<u>General Manager</u>	<u>40 YEARS +</u>	<u>HORTICULTURAL WORK</u>	<u>President</u>
<u>Butch George STARKIE</u>	<u>Manager</u>	<u>40 YEARS +</u>	<u>HORTICULTURAL WORK</u>	<u>VICE Preside</u>

8. IN WHAT MANNER HAVE YOU INSPECTED THIS PROPOSED WORK? EXPLAIN IN DETAIL

HAVE DONE THIS Bid over 20 YEAR

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BIDDER

JOHN SEIB General Manager  
TITLE

9. THE CONTRACT, IF AWARDED TO YOU OR YOUR FIRM, WILL HAVE THE PERSONAL SUPERVISION OF WHOM? GIVE NAME AND PRESENT POSITION

JOHN SEIB  General Manager

10. BIDDERS ARE REQUIRED TO COMPLETE THIS FORM PROVIDING THREE (3) REFERENCES OF PAST PERFORMANCE. REFERENCES SHOULD INVOLVE PROJECTS AND/OR SERVICE SITUATIONS OF SIMILAR SIZE AND SCOPE TO THIS BID. REFERENCES MUST HAVE HAD DEALING WITH THE BIDDER WITHIN THE LAST THIRTY-SIX (36) MONTHS. THE COUNTY RESERVES THE RIGHT TO CONTACT ANY OR ALL OF THE REFERENCES SUPPLIED FOR AN EVALUATION OF PAST PERFORMANCE IN ORDER TO ESTABLISH THE RESPONSIBILITY OF THE BIDDER BEFORE THE ACTUAL AWARD OF THE BID AND/OR CONTRACT. COMPLETION OF THE REFERENCE FORM IS REQUIRED.

NASSAU COUNTY (AND ANY OF ITS AGENCIES) MAY BE LISTED AS AN ADDITIONAL REFERENCE, BUT MAY NOT BE SUBSTITUTED FOR ANY OF THE THREE REQUIRED REFERENCES.

1. REFERENCE'S NAME:

NEW YORK Racing Association

ADDRESS:

Belmont Park Race Track

2150 HEMPSTEAD TRKE. ELMONT N.Y.

TELEPHONE: 516-459-0924 CONTACT PERSON Mike HANEMAN

CONTRACT DATE: DEC. 2019 THUR - 2020 DEC.

2. REFERENCE'S NAME:

TOWN of Oyster Bay

ADDRESS:

977 Hicksville Rd.

MASSAPEQUA N.Y. 11758

TELEPHONE: 631-379-6182 CONTACT PERSON STEVE MATUZA

CONTRACT DATE: 2020

3. REFERENCE'S NAME:

CATHOLIC Cemeteries

ADDRESS:

80-01 Metropolitan Ave

Middle

TELEPHONE: (516) 807-1406 CONTACT PERSON RANDY VAN YHERES

CONTRACT DATE: 2020

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BIDDER

JOHN SEIB

General Manager

TITLE

USE SEPARATE PAGE IF ADDITIONAL SPACE IS NEEDED.

I certify that all the statements contained in this document are true, complete and correct to the best of my knowledge and belief and are made in good faith, including data contained in the Organization's Relevant Experience. A false certification or failure to disclose information shall be grounds for disqualification or termination of any award.

A handwritten signature in black ink, consisting of a stylized 'J' and 'S' followed by a horizontal line.

ALL BIDS MUST BE F.O.B. DESTINATION AND INCLUDE DELIVERY WITHIN DOORS UNLESS OTHERWISE SPECIFIED.

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A handwritten signature in black ink, consisting of a stylized 'J' and 'S' followed by a horizontal line.  
BIDDER

JOHN SEIB

General Manager

TITLE

**IRAN DIVESTMENT ACT COMPLIANCE CERTIFICATION**

Pursuant to General Municipal Law Section 103-g, which generally prohibits the County from entering into contracts with persons engaged in investment activities in the energy sector of Iran, the Bidder submits the following certification:

**PLEASE CHECK ONE:**



By submission of this Bid, I certify, and in the case of a joint Bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of my knowledge and belief, that the Bidder is not on the list created pursuant to paragraph (b) of subdivision 3 of Section 165-a of the State Finance Law.

**OR**



I am unable to certify that the Bidder does not appear on the list created pursuant to paragraph (b) of subdivision 3 of Section 165-a of the State Finance Law. I have attached a signed statement setting forth in detail why I cannot so certify.

Dated: 5/20/2020

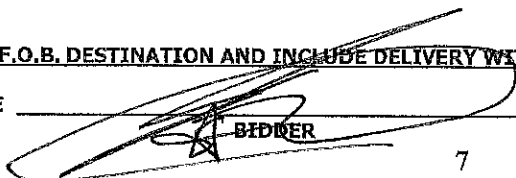
  
(Signature of Bidder)

Print Name: JOHN SEIB

Print Title: General Manager

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BIDDER

General Manager  
TITLE

Appendix EE

EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITIES AND WOMEN

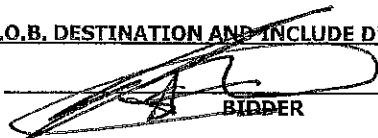
The provisions of this Appendix EE are hereby made a part of the document to which it is attached.

The Contractor shall comply with all federal, State and local statutory and constitutional anti-discrimination provisions. In addition, Local Law No. 14-2002, entitled "Participation by Minority Group Members and Women in Nassau County Contracts," governs all County Contracts as defined by such title and solicitations for bids or proposals for County Contracts. In accordance with Local Law 14-2002:

- (a) The Contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status in recruitment, employment, job assignments, promotions, upgradings, demotions, transfers, layoffs, terminations, and rates of pay or other forms of compensation. The Contractor will undertake or continue existing programs related to recruitment, employment, job assignments, promotions, upgradings, transfers, and rates of pay or other forms of compensation to ensure that minority group members and women are afforded equal employment opportunities without discrimination.
- (b) At the request of the County contracting agency, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, union, or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability, or marital status and that such employment agency, labor union, or representative will affirmatively cooperate in the implementation of the Contractor's obligations herein.
- (c) The Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of the County Contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.
- (d) The Contractor shall make Best Efforts to solicit active participation by certified minority or women-owned business enterprises ("Certified M/WBEs") as defined in Section 101 of Local Law No. 14-2002, including the granting of Subcontracts.
- (e) The Contractor shall, in its advertisements and solicitations for Subcontractors, indicate its interest in receiving bids from Certified M/WBEs and the requirement that Subcontractors must be equal opportunity employers.
- (f) Contractors must notify and receive approval from the respective Department Head prior to issuing any Subcontracts and, at the time of requesting such authorization, must submit a signed Best Efforts Checklist.
- (g) Contractors for projects under the supervision of the County's Department of Public Works shall also submit a utilization plan listing all proposed Subcontractors so that, to the greatest extent feasible, all Subcontractors will be approved prior to commencement of work. Any additions or changes to the list of subcontractors under the utilization plan shall be approved by the Commissioner of the Department of Public Works when made. A copy of the utilization plan any additions or changes thereto shall be submitted by the Contractor to the Office of Minority Affairs simultaneously with the submission to the Department of Public Works.
- (h) At any time after Subcontractor approval has been requested and prior to being granted, the contracting agency may require the Contractor to submit Documentation Demonstrating Best Efforts to Obtain Certified Minority or Women-owned Business Enterprises. In addition, the contracting agency may require the Contractor to submit such documentation at any time after Subcontractor approval when the contracting agency has reasonable cause to believe that the existing Best Efforts Checklist may be inaccurate. Within ten working days (10) of any such request by the contracting agency, the Contractor must submit Documentation.
- (i) In the case where a request is made by the contracting agency or a Deputy County Executive acting on behalf of the contracting agency, the Contractor must, within two (2) working days of such request, submit evidence to demonstrate that it employed Best Efforts to obtain Certified M/WBE participation through proper documentation.
- (j) Award of a County Contract alone shall not be deemed or interpreted as approval of all Contractor's Subcontracts and Contractor's fulfillment of Best Efforts to obtain participation by Certified M/WBEs.

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JOHN SEIB

General Manager

TITLE

(k) A Contractor shall maintain Documentation Demonstrating Best Efforts to Obtain Certified Minority or Women-owned Business Enterprises for a period of six (6) years. Failure to maintain such records shall be deemed failure to make Best Efforts to comply with this Appendix EE, evidence of false certification as M/WBE compliant or considered breach of the County Contract.

(l) The Contractor shall be bound by the provisions of Section 109 of Local Law No. 14-2002 providing for enforcement of violations as follows:

- a. Upon receipt by the Executive Director of a complaint from a contracting agency that a County Contractor has failed to comply with the provisions of Local Law No. 14-2002, this Appendix EE or any other contractual provisions included in furtherance of Local Law No. 14-2002, the Executive Director will try to resolve the matter.
- b. If efforts to resolve such matter to the satisfaction of all parties are unsuccessful, the Executive Director shall refer the matter, within thirty days (30) of receipt of the complaint, to the American Arbitration Association for proceeding thereon.
- c. Upon conclusion of the arbitration proceedings, the arbitrator shall submit to the Executive Director his recommendations regarding the imposition of sanctions, fines or penalties. The Executive Director shall either (i) adopt the recommendation of the arbitrator (ii) determine that no sanctions, fines or penalties should be imposed or (iii) modify the recommendation of the arbitrator, provided that such modification shall not expand upon any sanction recommended or impose any new sanction, or increase the amount of any recommended fine or penalty. The Executive Director, within ten days (10) of receipt of the arbitrators award and recommendations, shall file a determination of such matter and shall cause a copy of such determination to be served upon the respondent by personal service or by certified mail return receipt requested. The award of the arbitrator, and the fines and penalties imposed by the Executive Director, shall be final determinations and may only be vacated or modified as provided in the civil practice law and rules ("CPLR").

(m) The contractor shall provide contracting agency with information regarding all subcontracts awarded under any County Contract, including the amount of compensation paid to each Subcontractor and shall complete all forms provided by the Executive Director or the Department Head relating to subcontractor utilization and efforts to obtain M/WBE participation..

Failure to comply with provisions (a) through (m) above, as ultimately determined by the Executive Director, shall be a material breach of the contract constituting grounds for immediate termination. Once a final determination of failure to comply has been reached by the Executive Director, the determination of whether to terminate a contract shall rest with the Deputy County Executive with oversight responsibility for the contracting agency.

Provisions (a), (b) and (c) shall not be binding upon Contractors or Subcontractors in the performance of work or the provision of services or any other activity that are unrelated, separate, or distinct from the County Contract as expressed by its terms.

The requirements of the provisions (a), (b) and (c) shall not apply to any employment or application for employment outside of this County or solicitations or advertisements therefore or any existing programs of affirmative action regarding employment outside of this County and the effect of contract provisions required by these provisions (a), (b) and (c) shall be so limited.

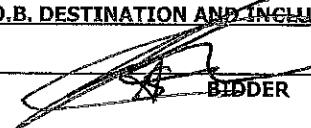
The Contractor shall include provisions (a), (b) and (c) in every Subcontract in such manner that these provisions shall be binding upon each Subcontractor as to work in connection with the County Contract.

As used in this Appendix EE the term "Best Efforts Checklist" shall mean a list signed by the Contractor, listing the procedures it has undertaken to procure Subcontractors in accordance with this Appendix EE.

As used in this Appendix EE the term "County Contract" shall mean (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of twenty-five thousand dollars (\$25,000), whereby a County contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the County; or (ii) a written agreement in excess of one hundred thousand dollars (\$100,000), whereby a County contracting agency is committed to expend or does expend funds for the acquisition,

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JOHN SEIB

General Manager

TITLE

construction, demolition, replacement, major repair or renovation of real property and improvements thereon. However, the term "County Contract" does not include agreements or orders for the following services: banking services, insurance policies or contracts, or contracts with a County contracting agency for the sale of bonds, notes or other securities.

As used in this Appendix EE the term "County Contractor" means an individual, business enterprise, including sole proprietorship, partnership, corporation, not-for-profit corporation, or any other person or entity other than the County, whether a contractor, licensor, licensee or any other party, that is (i) a party to a County Contract, (ii) a bidder in connection with the award of a County Contract, or (iii) a proposed party to a County Contract, but shall not include any Subcontractor.

As used in this Appendix EE the term "County Contractor" shall mean a person or firm who will manage and be responsible for an entire contracted project.

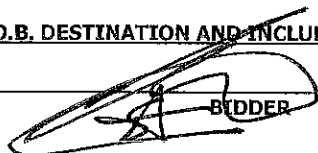
As used in this Appendix EE "Documentation Demonstrating Best Efforts to Obtain Certified Minority or Women-owned Business Enterprises" shall include, but is not limited to the following:

- a. Proof of having advertised for bids, where appropriate, in minority publications, trade newspapers/notices and magazines, trade and union publications, and publications of general circulation in Nassau County and surrounding areas or having verbally solicited M/WBEs whom the County Contractor reasonably believed might have the qualifications to do the work. A copy of the advertisement, if used, shall be included to demonstrate that it contained language indicating that the County Contractor welcomed bids and quotes from M/WBE Subcontractors. In addition, proof of the date(s) any such advertisements appeared must be included in the Best Effort Documentation. If verbal solicitation is used, a County Contractor's affidavit with a notary's signature and stamp shall be required as part of the documentation.
- b. Proof of having provided reasonable time for M/WBE Subcontractors to respond to bid opportunities according to industry norms and standards. A chart outlining the schedule/time frame used to obtain bids from M/WBEs is suggested to be included with the Best Effort Documentation
- c. Proof or affidavit of follow-up of telephone calls with potential M/WBE subcontractors encouraging their participation. Telephone logs indicating such action can be included with the Best Effort Documentation
- d. Proof or affidavit that M/WBE Subcontractors were allowed to review bid specifications, blue prints and all other bid/RFP related items at no charge to the M/WBEs, other than reasonable documentation costs incurred by the County Contractor that are passed onto the M/WBE.
- e. Proof or affidavit that sufficient time prior to making award was allowed for M/WBEs to participate effectively, to the extent practicable given the timeframe of the County Contract.
- f. Proof or affidavit that negotiations were held in Best Efforts with interested M/WBEs, and that M/WBEs were not rejected as unqualified or unacceptable without sound business reasons based on (1) a thorough investigation of M/WBE qualifications and capabilities reviewed against industry custom and standards and (2) cost of performance. The basis for rejecting any M/WBE deemed unqualified by the County Contractor shall be included in the Best Effort Documentation
- g. If an M/WBE is rejected based on cost, the County Contractor must submit a list of all sub-bidders for each item of work solicited and their bid prices for the work.
- h. The conditions of performance expected of Subcontractors by the County Contractor must also be included with the Best Effort Documentation
- i. County Contractors may include any other type of documentation they feel necessary to further demonstrate their Best Efforts regarding their bid documents.

As used in this Appendix EE the term "Executive Director" shall mean the Executive Director of the Nassau County Office of Minority Affairs; provided, however, that Executive Director shall include a designee of the Executive Director except in the case of final determinations issued pursuant to Section (a) through (l) of these rules.

**ALL BIDS MUST BE F.O.B. DESTINATION AND INCLUDE DELIVERY WITHIN DOORS UNLESS OTHERWISE SPECIFIED.**

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BIDDER

JOHN SEIB

General Manager

TITLE



As used in this Appendix EE the term "Subcontract" shall mean an agreement consisting of part or parts of the contracted work of the County Contractor.

As used in this Appendix EE, the term "Subcontractor" shall mean a person or firm who performs part or parts of the contracted work of a prime contractor providing services, including construction services, to the County pursuant to a county contract. Subcontractor shall include a person or firm that provides labor, professional or other services, materials or supplies to a prime contractor that are necessary for the prime contractor to fulfill its obligations to provide services to the County pursuant to a county contract. Subcontractor shall not include a supplier of materials to a contractor who has contracted to provide goods but no services to the County, nor a supplier of incidental materials to a contractor, such as office supplies, tools and other items of nominal cost that are utilized in the performance of a service contract.

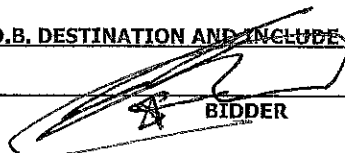
Provisions requiring contractors to retain or submit documentation of best efforts to utilize certified subcontractors and requiring Department head approval prior to subcontracting shall not apply to inter-governmental agreements. In addition, the tracking of expenditures of County dollars by not-for-profit corporations, other municipalities, States, or the federal government is not required.

Prohibition of Gifts. In accordance with County Executive Order 2-2018, the Contractor shall not offer, give, or agree to give anything of value to any County employee, agent, consultant, construction manager, or other person or firm representing the County (a "County Representative"), including members of a County Representative's immediate family, in connection with the performance by such County Representative of duties involving transactions with the Contractor on behalf of the County, whether such duties are related to this Agreement or any other County contract or matter. As used herein, "anything of value" shall include, but not be limited to, meals, holiday gifts, holiday baskets, gift cards, tickets to golf outings, tickets to sporting events, currency of any kind, or any other gifts, gratuities, favorable opportunities or preferences. For purposes of this subsection, an immediate family member shall include a spouse, child, parent, or sibling. The Contractor shall include the provisions of this subsection in each subcontract entered into under this Agreement.

Disclosure of Conflicts of Interest. In accordance with County Executive Order 2-2018, the Contractor has disclosed as part of its response to the County's Business History Form, or other disclosure form(s), any and all instances where the Contractor employs any spouse, child, or parent of a County employee of the agency or department that contracted or procured the goods and/or services described under this Agreement. The Contractor shall have a continuing obligation, as circumstances arise, to update this disclosure throughout the term of this Agreement.

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BIDDER

JOHN SEIB

General Manager.

TITLE

**INDEMNIFICATION:**

Contractor agrees to indemnify and hold harmless County and its agents, officers and employees, from and against any and all losses, costs, expenses (including attorneys' fees and disbursements), damages and liabilities, arising out of or in connection with any acts or omissions of Contractor, its officers, agents or employees, provided, however, that Contractor shall not be responsible for that portion, if any, of a loss that is caused by the negligence of the County; and provided, further, that Contractor shall not be liable for consequential, indirect or special damages. Contractor shall, at County's demand and at County's direction, defend at its own risk and expense any and all suits, actions or legal proceedings which may be brought against County, its agents, officers or employees in connection with a loss for which Contractor is responsible under this paragraph.

**DEFINITIONS:**

- The term "County" as used herein, shall be deemed as reference to the County of Nassau, State of New York.
- The term "Contractor" as used herein, shall be deemed as reference to the successful bidder, vendor, proprietor, partnership, or corporation receiving an award to perform any or all of the services specified herein in accordance with the terms of this agreement.
- The term "agency" as used herein, shall be deemed as the department, division, bureau, office, agency or other Nassau County establishment authorized to receive the service specified herein.
- The term "Director" as used herein, shall be deemed as reference to the Director of the Office of Purchasing.
- The term "Blanket Order" as used herein, shall be deemed as the multiple use pricing agreement as a result of this bid.
- The term "Purchase Order" as used herein, shall be deemed as the single use pricing agreement as a result of this bid.
- The term "complete" as written in this bid must include all equipment, delivery and installation of same in its entirety, as listed in the contract documents, and is to include all supervision, labor, materials, plant equipment, transportation, testing, (if required) incidentals, and other facilities as necessary and/or required to execute all the work as herein specified, or as incidentally required to provide a complete operating installation.

NOTE: INSERT FEDERAL IDENTIFICATION NUMBER IN SPACE PROVIDED ON PAGE 1.

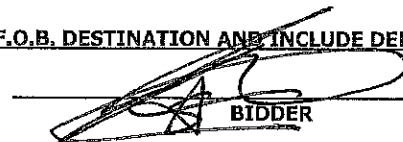
**M/WBE, SDVOB and DBE Participation:** The County encourages the participation of certified Service-Disabled Veteran-Owned Businesses ("SDVOB"), Minority or Women-Owned Business Enterprises ("M/WBE"), and Disadvantaged Business Enterprises ("DBE") in the bidding process. A Contractor that is certified by New York State or the County as a SDVOB, M/WBE, and/or DBE should include this information in their bid. For more information regarding the County's SDVOB, M/WBE, or DBE programs, please visit the Nassau County Office of Minority Affairs website

**IMPORTANT**

PRICE MUST BE INSERTED WITH TYPEWRITER OR INK. BIDS MUST BE SIGNED IN INK. TO ASSURE OFFER REACHING IN TIME, **YOU ARE URGED TO MAIL YOUR FORMAL SEALED BID EARLY. THIS FORMAL SEALED BID MUST REACH OUR OFFICE BY 11:00 A.M.** LATE FORMAL SEALED BIDS WILL NOT BE ACCEPTED.

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JOHN SEIB

General Manager

TITLE

REQUIRED VENDOR DISCLOSURE FORMS

Prior to the bid opening, the following disclosure forms (the "Disclosure Forms") must be submitted in the Nassau County Vendor Portal at

[https://apex5.nassaucountyny.gov/ords/f?p=312:LOGIN\\_DESKTOP:3445712403627](https://apex5.nassaucountyny.gov/ords/f?p=312:LOGIN_DESKTOP:3445712403627):

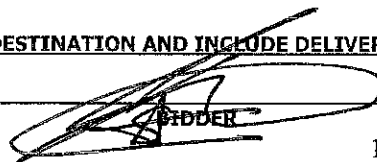
- a. A duly completed and verified Business History Form, together with a current certified or verified financial statement and/or other commercially reliable written evidence of the bidder's credit, financial standing and capacity to perform in accordance with the terms of the Contract.
- b. All officers, and any individuals who hold a ten percent (10%) or greater ownership interest in the bidder, shall complete and verify the Principal Questionnaire.
- c. The County of Nassau Consultant's, Contractor's and Vendor's Disclosure Form
- d. Additionally, if the bidder utilizes the services of any individual or organization for the purposes of conducting lobbying activities and is awarded the contract, the successful proposer will be required to provide a copy of the Lobbyist Registration and Disclosure Form, completed and verified by that individual/organization.

PLEASE NOTE:

- If a bidder has previously submitted the Disclosure Forms in the Nassau County Vendor Portal, the bidder must ensure that the forms on file in the Portal are current, accurate, and have been recertified within three (3) months prior to the bid opening date. The bidder must also ensure that their response to question 7, and its subparts, on the Consultant's, Contractor's, and Vendor's Disclosure Form is provided in relation to the specific solicitation under consideration.

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JOHN SZIB

General Manager

TITLE

### REQUESTS FOR INFORMATION OR CLARIFICATION

Before bidding, bidders must examine all of the Contract documents, including the specifications, any drawings, and all instructions. If the bidder finds any inconsistency, ambiguity, omission or error in the specifications, drawings, instructions or any other Contract document, or if the bidder is in doubt as to the meaning of any term or condition of the Contract, the bidder must promptly so notify the **Office of Purchasing** in writing prior to the bid opening. The failure of the bidder to notify the **Office of Purchasing**, prior to the bid opening of any inconsistency, ambiguity, omission or error that the bidder actually found, or that should have been discovered by a reasonably prudent bidder, will preclude and negate acceptance of the bidder's claim.

If the **Office of Purchasing** receives a notification from a bidder of a differing site condition or an inconsistency, ambiguity, omission or error in the Contract documents, the **Office of Purchasing** will, as it deems necessary or desirable, issue a written interpretation or correction to the Contract documents as an amendment to the Contract documents. Any such amendment will be made available electronically to each person that received a copy of the Contract documents as reflected in the records of the **Office of Purchasing**, and any such amendment will also be available at the place where the Contract documents are available for inspection by prospective bidders.

Upon such mailing or delivery, such amendment shall become part of the Contract documents and shall be binding on all bidders, whether or not they have had actual notice of such addendum.

**Please note that all bidder requests for information or clarification must be received by the Authority at least 72 hours prior to the bid opening. Any bidder requests for information or issues with the contract documents presented after that time may not be addressed by the Office of Purchasing.**

#### **Ordinance # 153-2018**

Pursuant to Ordinance # 153-2018, a bidder that is awarded a contract under this bid is required to pay the County an administrative service charge in accordance with the following schedule:

<u>Value of Contract</u>	<u>Administrative Fee</u>
\$0-\$10,000	\$0
Over \$10,000-\$50,000	\$160
Over \$50,000-\$100,000	\$266
Over \$100,000	\$533

After an award, the successful bidder(s) will be notified by the Director of Shared Services, or their designee, when payment of the administrative charge is due. Please note, if you are a religious, charitable, nonprofit, or not-for-profit organization, please include this information in your bid for consideration by the Director of the Shared Services to waive the fee.

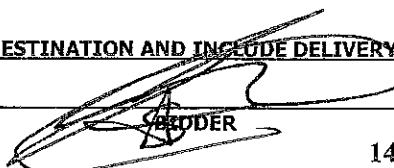
#### **Ordinance # 72-2014**

The bidder declares that they are a registered vendor with the County. All registered vendors must pay a Two Hundred Seventy-Five Dollar (\$275.00) per contract fee to register Blanket contracts on the County's procurement website, as required under Ordinance # 72-2014.

**SCOPE:** The purpose of this bid is to establish a price structure upon which purchases will be made under a Blanket Order. A Blanket Order shall be issued to the successful bidder. Unit price on the Blanket Order to be firm for a period of twelve (12) months.

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BIDDER SIGN HERE

 **JOHN SEIB** **General Manager**  
BIDDER TITLE

**PURPOSE:** The purpose of this bid is to establish a price structure on which items and/or services will be made under Blanket Orders.

**PERIOD COVERED:** Shall be for one (1) year from the effective date. The County of Nassau reserves the right to extend the Blanket Order up to an additional four (4) year(s), at up to one (1) year options. However, the termination of the Blanket Order may be further extended up to two (2) months beyond the stated termination date. The maximum period of any Blanket Order as a result of this bid with renewal options applied shall be five (5) year(s), and if the further extension is applied, five (5) years and two (2) months.

**ALL EXTENSIONS ARE SUBJECT UPON THE MUTUAL CONSENT OF BOTH PARTIES.**

**AWARD:** Award, if any, will be made to the lowest responsible bidder, who in the opinion of the Director of Purchasing, meets the specifications and qualifications stated herein. The Director of Purchasing reserves the right to make an award be items, groups, or classes of items or as a whole. Awards will be made in accordance with the terms and conditions attached hereto and made part hereof.

**DELIVERY:** Bidders are required to state guaranteed delivery date in terms of days after receipt of order in the space provided below and on page one. Bidders are cautioned to post realistic delivery dates. Guaranteed delivery dates will be strictly enforced. Must be made within 15 days A/R/O unless stated otherwise below:

Delivery to be made 3 DAYS Days A/R/O.

Delivery shall be made **ONLY** upon receipt of a Purchase Order, or in the case of a Blanket Order, upon receipt of a Direct Purchase Order(s) from a using agency authorized to use the Blanket Order which will be issued to the successful bidder. Purchase Order and Direct Purchase Order shall indicate the destination address. Inside delivery is required on all deliveries.

Bidders agree that all orders shall be effective and binding upon the contractor when PLACED IN THE MAIL addressed to the Contractor at the address shown on the Blanket Order/Purchase Order PRIOR TO MIDNIGHT OF THE FINAL DAY OF CONTRACT.

**PARTICIPATION BY POLITICAL SUBDIVISIONS:** The successful vendor agrees that all political subdivisions of New York State and all other entities authorized by law to make such purchases may participate in any award under this bid. These Entities shall accept full responsibility for any payments due the successful bidder for their purchases hereunder.

**INSPECTION:** Bidders should be aware of Inspection and Delivery requirements as stipulated.

**RETENTION OF BID:** Vendor is required to make a copy of his completed bid document and applicable attachments. Any purchase orders issued against this bid will refer to the bid and attachments to designate items awarded.

**METHOD OF BIDDING:** Please submit unit price in the appropriate column.

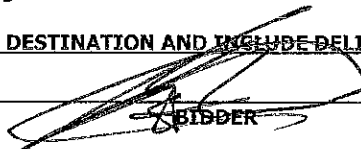
**PRICE DISCREPANCY:** In the event of a discrepancy between the unit price and the extension price, the unit price will govern.

**EXTENSION OF PRICE:** It is anticipated that additional quantities of items specified herein may be required in the ensuing year. According, the County of Nassau requests that the prices bid be protected and be available to the County of Nassau for one (1) year from the date of the award. Economic conditions may not permit the price protection for an entire year. Bidders are requested to state the period for which bid prices will be applicable to potential additional orders.  
365 DAYS days.

**TAX PROVISION:** Purchases made by the County of Nassau are not subject to State, Local Sales Taxes or Federal Excise Taxes. Federal Exemption #A-109538 State Exemption #EX 7213062C. The County of Nassau is not subject to any Existing "Fair Trade Agreements" and bidders should be governed accordingly.

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BIDDER

JOHN SEIB General Manager,  
TITLE

**NEW YORK STATE PRICES:** Bidders must represent and warrant that if they are under contract with New York State for items specified herein, that the price quoted to the County is not higher than the price per unit quoted to New York State for like quantities.

**SPECIFICATIONS:** Submit complete specifications and illustrations of products offered with the bid. Acceptance of a bid and designation of a manufacturer's catalog description, brand name or number in any Purchase or Blanket Order resulting there-from shall not be construed as qualification of the specifications of this bid or relief there-from, except as specifically stated in the Purchase or Blanket Order.

**PRODUCT IDENTIFICATION:** If a product(s) is identified by a BRAND NAME, a substitute of equal quality, construction, finish, composition, size, workmanship and performance characteristics may be acceptable. In submitting a bid, each bidder warrants that the substitute product being offered is an equal. Bid sheets shall be so noted of the manufacturer's name and brand of the product offered as an equal. If as a result of an award, a delivery is made of a brand or product represented as an equal which is subsequently deemed to be unacceptable, the Contractor shall be required, at his expense, to pick up the rejected item and replace it with brand(s) listed in this bid, or an acceptable equal which will have the approval of the Director.

**PROTECTION FROM CLAIM AGAINST "OR EQUAL":** In the event of any claim by any unsuccessful bidder concerning or relating to the issue of "equal or better" or "or equal", the successful bidder agrees, at his own cost and expense, to defend such claims or claims and agrees to hold the County of Nassau free and harmless from any and all claims for loss or damage arising out of this transaction for any reason whatsoever.

**ALTERNATIVE ITEM:** In submitting a bid on a commodity other than as specified, bidder shall furnish complete data and identification with respect to the alternate commodity he proposes to furnish. Consideration will be given to proposals submitted on alternate commodities to the extent that such action is deemed to serve the best interests of the County. If a bidder does not indicate that the commodity he proposes to furnish is other than as specified, it will be construed to mean that the bidder proposes to furnish the exact commodity as described. Consideration of the alternate shall be at the sole discretion of the Director. MORE THAN ONE (1) BID ON EACH ITEM WILL NOT BE CONSIDERED, UNLESS OTHERWISE SPECIFIED BY THE COUNTY.

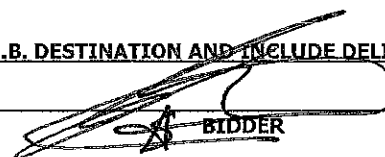
**EQUIVALENT BIDS:** Bidders may offer a product of the same capability, but of different manufacture and model than that specified in this bid. The use of the name of a manufacturer, brand, make or catalog designation in specifying items described herein does not restrict or preclude bidders from offering equivalent or better product bids. Such a designation is used only to indicate the character, quality and minimum performance desired. Equal or better product bids are permissible. A bidder submitting an equal or better product shall, at his own cost and expense be responsible for submitting proof and/or a demonstration of equivalence, compatibility and performance. However, acceptance of an equivalent product shall be strictly at the discretion of the Director. Any omission of the term "or equal" in any specific bid item listing should be disregarded by the bidder. All bidders shall have an absolute right to submit "equivalent" bids notwithstanding any other provision of the bid specifications.

**RECORD RETENTION:** Contractor shall retain complete and accurate records and documents related to this Agreement for six (6) years following the later of termination or final payment. Such records shall at all times be available for audit and inspection by the County.

**Governing Law** – Consent to Jurisdiction and Venue; Governing Law. Unless otherwise specified in this Agreement or required by Law, exclusive original jurisdiction for all claims or actions with respect to this Agreement shall be in the Supreme Court in Nassau County in New York State and the parties expressly waive any objections to the same on any grounds, including venue and forum non conveniens. This Agreement is intended as a contract under, and shall be governed and construed in accordance with, the Laws of New York State, without regard to the conflict of laws provisions thereof.

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BIDDER

JOHN SEIB

General Manager

TITLE

**BILLING:** Shall be made on County claim forms or Certified Invoices to the individual using County Agency upon completion of deliveries made against applicable Purchase Order(s) or Direct Purchase Order(s).

NO PARTIAL PAYMENTS WILL BE PAID.

\*\*\*\*\*VENDOR CLAIM CERTIFICATION\*\*\*\*\*


IF A CLAIM VOUCHER IS NOT BEING SUBMITTED, THE FOLLOWING CERTIFICATION **MUST** APPEAR ON THE INVOICE:

I HEREBY CERTIFY THAT ALL ITEMS OR SERVICES WERE DELIVERED OR RENDERED AS SET FORTH IN THIS CLAIM; THAT THE PRICES CHARGED ARE IN ACCORDANCE WITH REFERENCED PURCHASE ORDER, DIRECT PURCHASE ORDER OR CONTRACT, THAT THE CLAIM IS JUST, TRUE AND CORRECT; THAT THE BALANCE STATED HEREIN IS ACTUALLY DUE AND OWING AND HAS NOT BEEN PREVIOUSLY CLAIMED; THAT NO TAXES FROM WHICH THE COUNTY IS EXEMPT ARE INCLUDED; AND THAT ANY AMOUNTS CLAIMED FOR DISBURSEMENTS HAVE ACTUALLY AND NECESSARILY BEEN MADE.

JOHN SEIB

CLAIMANT NAME

5/20/2020  
DATE

  
BY (SIGNATURE)

General Manager  
TITLE

\*CLAIM VOUCHERS AND CERTIFIED INVOICES NOT PROPERLY COMPLETED WILL BE RETURNED TO YOU UNPAID\*

Vendors may download claim form NIFS560 at the following URL:

<http://www.nassaucountyny.gov/agencies/Comptroller/Docs/PDF/ClaimVoucherFormBlank.pdf>

**PAYMENT:** A certified invoice, or a County claim form to which the invoice is attached, shall be submitted in arrears, directly to the using agency, supported by vouchers signed by agency personnel attesting to satisfactory completion of the required services as specified.

\*\*\*\*\*VENDOR CLAIM CERTIFICATION\*\*\*\*\*

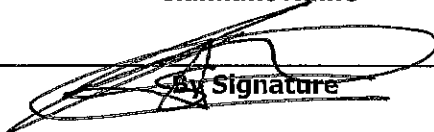
If a claim voucher is not being submitted, the following certification **MUST** appear on the invoice:

I hereby certify that all items or services were delivered or rendered as set forth in this claim; that the prices charged are in accordance with referenced purchase order, delivery order or contract, that the claim is just, true and correct; that the balance stated herein is actually due and owing and has not been previously claimed; that no taxes from which the County is exempt are included; and that any amounts claimed for disbursements have actually and necessarily been made.

JOHN SEIB

Claimant Name

5/20/2020  
Date

  
By Signature

General Manager  
Title

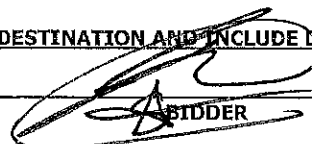
CLAIM VOUCHERS AND CERTIFIED INVOICES NOT PROPERLY COMPLETED WILL BE RETURNED TO YOU UNPAID.

Vendors may download claim form NIFS560 at the following URL:

<http://www.nassaucountyny.gov/agencies/Comptroller/Docs/PDF/ClaimVoucherFormBlank.pdf>

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JOHN SEIB

General Manager  
TITLE

**WARRANTY:** The successful bidder warrants the equipment furnished and all associated equipment against any defects in design, workmanship and materials against failure to operate satisfactorily for one (1) year from the date of acceptance by the using department and/or agency of the equipment, other than defects or failure shown by the Contractor that have arisen solely from accident or abuse occurring after delivery to the Nassau County agency. Contractor agrees to replace any parts, which in the opinion of the user, shall fail from the above reasons.

*IMPORTANT NOTES: If a company policy or trade practice requires a different warranty period, the bidder may so state without fear of disqualifications. However, the bidder is cautioned that the length of warranty may, in some cases, be a deciding factor in making an award.*

*Equipment furnished hereunder shall meet the standards set forth in the Occupational Safety and Health Act of 1970.*

BIDDER SHALL STATE WARRANTY  
PERIOD:

N/A TURF Products

NOTE: All warranties take effect only upon written acceptance of equipment by using agency and shall run full term from that point.

BIDDER SHALL INDICATE COST AND TERM OF ANY EXTENDED WARRANTY OPTION, IF AVAILABLE:

N/A TURF Products

**COMPREHENSIVE AND GENERAL LIABILITY AND HOLD HARMLESS:** The Contractor agrees to indemnify and hold harmless the County of Nassau, its agents, officers and employees against any and all claims, causes of action, costs, and liabilities, in law or in equity, of every kind and nature whatsoever, directly or proximately resulting from any act of omission or commission of Contractor, its officers, agents, or employees. Contractor shall, at Nassau County's demand, defend at its own risk and expense any and all suits, actions or legal proceedings which may be brought or instituted against Nassau County, its agents, officers, or employees on any such claim, demand or cause of action, and Contractor shall pay and satisfy any judgment or decree which may be rendered against Nassau County, its agents, officers, or employees in any such suit, action or legal proceeding.

The Contractor shall obtain from an insurance company authorized to do business in the State of New York, and keep in force during the term of any agreement, a policy of Comprehensive and General Liability Insurance naming the Contractor as an insured, and naming the County of Nassau as an additional insured, including, but not limited, to the torts and negligence of Contractor's personnel, with a combined single minimum limit of three million dollars (\$3,000,000.00) for bodily injury and property damage for any one occurrence at the Contractor's sole cost and expense. Evidence of insurance may be required prior to Notice of Award or issuance of a Purchase Order.

The Contractor shall comply with all provisions of the Workers' Compensation Law and shall furnish a certificate showing evidence of current coverage.

Bidder shall list below the Insurance Company(s) holding the following documents:

A) Certificate of Insurance name the County of Nassau as co-insured: MARSH USA INC.

Or

B) Certificate of Insurance with indemnification agreement (hold harmless clause): SEE CERTIFICATE  
NEXT PAGE.

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JOHN SEIB

General Manager

TITLE



**GENERAL CONDITIONS:**

All repairs to be made in accordance with the Occupational Safety and Health Administration safety requirements.

Contractor will furnish all labor, materials, transportation, tools, instrumentation, parts and accessories necessary to repair and restore the equipment to optimum operating condition.

All Contractor personnel assigned to any requirement of a contract established must be fully qualified and cognizant of the required and applicable electrical codes and safety requirements, and must adhere to them.

All parts supplied must match and inter-member without modification to the designated equipment, and must be in accordance with the specifications of the manufacturer of the part to be replaced.

Except as otherwise specified, all contract requirements will be performed at the site as required.

Any requirement to remove any part of the equipment or system(s), to the Contractor's shop, must be approved by an authorized agency representative. Nassau County shall supply all utilities which are available on location insofar as compatibility requirements permit.

All requirements performed by the Contractor will be subject to inspection and approval by an authorized designated representative of Nassau County.

Employees of the Contractor, while on service call, shall carry identification badges or cards and shall be instructed to submit same to scrutiny upon request of security or supervisory personnel of Nassau County.

**ADDITIONAL BIDS:** The County reserves the right, for any un-contemplated additional requirements of extraordinary quantities of particular items to call for new bids, therefore, whenever in the opinion of the Director of the Office of Purchase it is in the best interests of the County of Nassau to do so.

**PRICE LISTS AND DISCOUNTS:** Bidders may attach price lists and catalogs indicating discounts available to the County for all other products not listed herein. New items may be added to the price list at the then current price at the same discount schedule during the life of the contract.

**NON-ASSIGNMENT:** In accordance with Section 138 of the State Finance Law, the contract may not be assigned by the Contractor or its right, title or interest therein assigned, transferred, conveyed, sublet or otherwise disposed of without the previous consent, in writing, of Nassau County and any attempts to assign the contract without the County's written consent are null and void.

**NON PERFORMANCE**

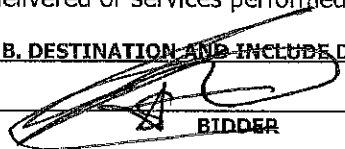
The Contractor agrees that in the event any of the services provided for under the terms of this contract should in any way be omitted or unsatisfactorily performed by the Contractor and/or his employees, the county shall so notify the contractor verbally and follow with a written notification of the deficient services for immediate correction. In the event the Contractor does not correct the deficient services after receipt of written notification, the Nassau County Department concerned will deduct a percentage based on the work not performed or performed unsatisfactorily from the Contractor's claim for the period covered. If the Contractor continues to omit or unsatisfactorily perform the required services, the County will arrange for the work to be done by another contractor and the cost of such work shall be deducted from any monies due or that may become due to the Contractor.

**DISCLAIMER**

Any Blanket Purchase Order issued as a result of this bid will establish terms and conditions pursuant to which certain materials and/or services are to be supplied or performed, from time to time, for a specified period upon issuance by the County of Delivery Orders. The Blanket Purchase Order is non-exclusive and the County is not bound to purchase, and no materials are to be delivered or services performed without a Delivery Order. The County shall be under no obligation

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BIDDER

JOHN SEIB

General Manager

TITLE

whatsoever to issue such Delivery Orders. The Blanket Purchase shall not apply in any way to items of material or service deemed by the County in its sole discretion to be extraordinary or involve any special conditions, quantities, circumstances or complexities.

**ACCESS CLAUSE:** Contractor, including its satellites, offices and/or subcontractors, if any, shall maintain full and complete books and records of accounts pertaining to this agreement, in accordance with accepted accounting practices and such other records as may be reasonably prescribed by the County of Nassau. Such books and records shall at all times be available for audit and inspection by the completion of all the services described in this agreement. Contractor further agrees that if any provision of Section 952 of the Omnibus Reconciliation Act of 1980 (PL-96-499) is found by a body of competent jurisdiction to be applicable to this contract, the Contractor agrees that it will make available upon written request by the Secretary of Health and Human Services, or the Comptroller General of the General Accounting Office, or any of their duly authorized representatives, a copy of this contract and any executed amendments thereto documents which relate to the calculation of the charges stated in the contract and copies of service reports documenting services performed. Such records will be available in accordance with the above for the period of six (6) years after the furnishing of any of the services described in this contract.

**TERMINATION PREROGATIVE:** The Director reserves the right to cancel the Blanket Order by giving not less than thirty (30) days written notice that, on or after a date therein specified, the contract shall be deemed terminated and cancelled.

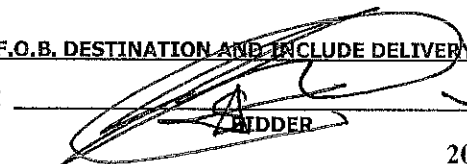
**VENDOR RESPONSIBILITY CRITERIA:** The Director of Purchasing reserves the right before making an award to make investigations as to whether or not the qualifications, services, facilities or items offered by the bidder meet the requirements set forth herein and are ample and sufficient to ensure the proper performance in the event of an award. The bidder must be prepared, if requested by the Director of Purchasing, to present evidence of experience, ability, financial standing, as well as a statement as to plant, machinery, trained personnel and capacity for the rendition of the service on which the vendor is bidding. Upon request of the Director, the successful bidder shall file certification from the manufacturer relative to authorization, delivery, service and guarantees. If it is found that the conditions of the bid are not complied with or that the services or equipment proposed to be furnished do not meet the requirements called for, or that the qualifications, financial standing, or facilities are not satisfactory, the Director may reject such bids. It is distinctly understood, however, that nothing in the forgoing shall mean or imply that it is obligatory upon the Director to make any examinations before an award; and it is further understood that, if such examination is made, it in no way relieves the bidder from fulfilling all requirements and conditions of the bid.

**IMPORTANT NOTE:** The Director reserves the right to accept or reject any and all bids, or separable portions of offers, and waive technicalities, irregularities, and omissions if the Director determines the best interests of the County of Nassau will be served. The Director, in his sole discretion, may accept or reject illegible, incomplete or vague bids and his decision shall be final. A conditional or revocable bid which clearly communicates the terms or limitations of acceptance may be considered and contract award may be made in compliance with the bidder's conditional or revocable terms in the offer. Prior to award, the Director reserves the right to seek clarifications, request bid revisions, or to request any information deemed necessary for proper evaluation of bids from all bidders deemed to be eligible for contract award. Failure to provide requested information may result in rejection of the bid.

**NAMES ONLY AT BID OPENING:** At the bid opening, ONLY the bidder's names will be read. Unit prices will NOT be read but will be available when bid summary sheet is prepared.

ALL BIDS MUST BE F.O.B. DESTINATION AND INCLUDE DELIVERY WITHIN DOORS UNLESS OTHERWISE SPECIFIED.

BIDDER SIGN HERE

  
BIDDER

JOHN SEIB

General Manager

TITLE

## NOTICE

READ THIS PAGE OF THE BID CAREFULLY

ALL BIDDERS MUST COMPLY WITH THIS REQUIREMENT OR YOUR BID WILL BE AUTOMATICALLY REJECTED

RIGHT TO KNOW LAW AND "OSHA"

PURSUANT TO ARTICLE 28, SECTION 876 OF THE LABOR LAW OF THE STATE OF NEW YORK, THE COUNTY OF NASSAU HAS MANDATED EMPLOYER'S RESPONSIBILITY TO PROVIDE NOTICE TO EMPLOYEES REGARDING TOXIC SUBSTANCES. TO SATISFY THIS MANDATED REQUIREMENT, WE MUST ASK FOR YOUR COOPERATION. SOME OF THE MATERIAL ON THIS BID MAY CONTAIN TOXIC SUBSTANCES. THEREFORE, YOU MUST SUBMIT, WITH YOUR BID, "**MATERIAL SAFETY DATA SHEETS**" FOR ALL MATERIALS TO BE SUPPLIED PURSUANT TO THIS BID.

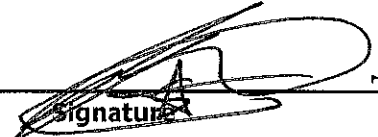
FAILURE TO PROVIDE THIS INFORMATION WITH THE BID WILL RESULT IN  
AUTOMATIC REJECTION OF THE BID.

IF YOUR PRODUCT **DOES NOT** CONTAIN TOXIC SUBSTANCES, PLEASE SIGN THE FOLLOWING CERTIFICATION:

### CERTIFICATION:

I HEREBY CERTIFY THAT I HAVE READ THE NASSAU COUNTY NOTICE, AND FURTHER CERTIFY THAT ITEMS NUMBERED Grass Feed DO NOT CONTAIN ANY TOXIC SUBSTANCES.

X

 JOHN SEIB General Manager 5/20/2020  
Signature Title Date

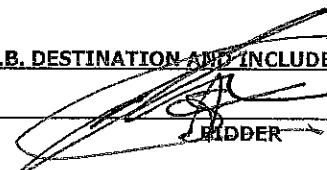
### NON-COLLUSIVE BIDDING CERTIFICATION REQUIRED BY SECTION 139-D OF THE STATE FINANCE LAW

BY SUBMISSION OF THIS BID, BIDDER AND EACH PERSON SIGNING ON BEHALF OF BIDDER CERTIFIES, AND IN THE CASE OF A JOINT BID, EACH PARTY THERETO CERTIFIES AS TO ITS OWN ORGANIZATION, UNDER PENALTY OR PERJURY, THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF:

- [1] The prices of this bid have been arrived at independently, without collusion, consultation, communication, or agreement for the purposes of restricting competition, as to any matter relating to such prices with any other Bidder or with any competitor;
- [2] Unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by the Bidder prior to opening, directly or indirectly, to any other Bidder or to any competitor; and
- [3] No attempt has been made or will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition.

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 JOHN SEIB General Manager  
BIDDER TITLE

OFFICE OF PURCHASING  
COUNTY OF NASSAU STATE OF NEW YORK

FORMAL SEALED BID PROPOSAL  
8720-05210-066

A BID SHALL NOT BE CONSIDERED FOR AWARD NOR SHALL ANY AWARD BE MADE WITH [1], [2], [3] ABOVE HAVE NOT BEEN COMPLETE WITH; PROVIDED HOWEVER, THAT IF IN ANY CASE THE BIDDER(S) CANNOT MAKE THE FOREGOING CERTIFICATION, THE BIDDER SHALL SO STATE AND SHALL FURNISH BELOW A SIGNED STATEMENT WHICH SETS FORTH IN DETAIL THE REASONS THEREFORE:

[AFFIX ADDENDUM TO THIS PAGE IF SPACE IS REQUIRED FOR STATEMENT]

Subscribed to under penalty of perjury under the laws of the State of New York,

this 21 day of MAY, 20 20 as the act and deed of said Corporation or Partnership.

Identifying Data:

Potential Contractor:

ALL PRO HORTICULTURE

Address:

80 EAST GATES AVE

Street:

LINDENHURST N.Y. 11757

City, Town, etc:

Telephone:

631-789-6680

Title:

General Manager

If applicable, responsible Corporate Officer

Name

JOHN SEIB

Title

General Manager

Signature:



Sign Here

FAILURE TO COMPLETE THIS FORM AND SIGN IN APPROPRIATE PLACE SHALL RESULT IN AUTOMATIC REJECTION OF THE BID.

MANUFACTURER'S CERTIFICATE

THIS IS TO CERTIFY:

That we manufacture the commodities specified in the attached bid schedule:

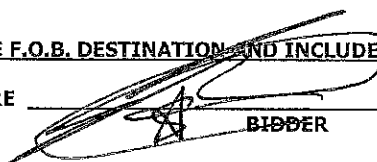
That the address of the manufacturing plant is:

(SEED IS Manufactured at ALL PRO HORTICULTURE)  
Other Products per Company per Spec.

Manufacturer

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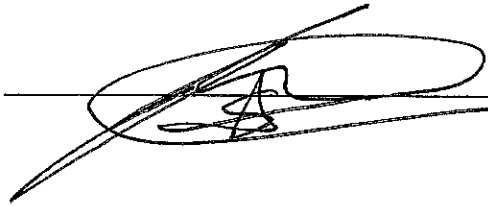
BIDDER

JOHN SEIB

General Manager

TITLE

Title



Signature

JOHN SEIB  
General Manager

**FURTHERMORE:**

That we authorize

ALL PRO HORTICULTURE  
80 EAST GATES AVE Lindenhurst N.Y. 11757  
(Name and address of firm or individual)

As our distributor to furnish our products to the County of Nassau as provided in the attached schedules, and agree to supply said distributor such quantities of our products as may be required by the County of Nassau.

ALL PRO HORTICULTURE Manufacturer

Title

  
GENERAL MANAGER

JOHN SEIB Signature

5/20/2020 Date

**MUST BE SIGNED BY AN OFFICER OF THE COMPANY. SALES AGENT OR MANAGER'S SIGNATURE WILL NOT BE ACCEPTED UNLESS LETTER OF AUTHORIZATION FROM THE MANUFACTURER IS ATTACHED.**

**NOTE:** When bidder is other than the manufacturer, the complete certificate must be executed by the manufacturer.

**GENERAL INSTRUCTIONS: All bidders must adhere to the following conditions:**

As per New York State Municipal Law 103, no exception can be taken to any material term and/or condition of this bid with the exception of any warranties as presented in this bid for the specific commodity or service required.

Any language in any proposal or document submitted by a bidder as part of their bid that is accepted by the County of Nassau cannot be in conflict with any material term and/or condition relevant to this bid with the exception of any warranties or the specifications of the commodity of service required by this bid. If there is any conflict between the bidder's terms and conditions and the terms and conditions of this bid, the terms and conditions of this bid shall govern.

Bidders must insert **FEDERAL IDENTIFICATION NUMBER** in the space provided on page one of this bid.

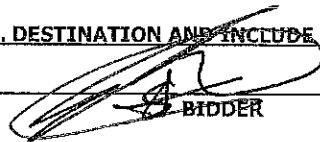
Late Formal Sealed Bids will NOT be accepted. Bidders are urged to mail bids early to assure delivery on time. Bids must be received by 11:00 A.M. on the bid opening date.

Prices **MUST** be inserted with **TYPEWRITER OR INK**. Entries with **WHITE OUT, CROSS-OUTS OR LIFT-OFF TAPE** **MUST** BE INITIALED or that entry will be disqualified.

Bidders should submit bid with unit price in the appropriate column on bid pages or forms attached hereto. In the event of a discrepancy between the unit price and the extension, the unit price shall govern. Bidders shall submit one (1) original bid document and all applicable attachments. Any order issued against this bid will refer to the bid and

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General Manager

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attachments to designate items awarded. Bidders agree that all, Direct Purchase Orders and/or Purchase Orders shall be effective and binding upon the Contractor when placed in the mail, addressed to the Contractor at the address shown on the Direct Purchase Order or the Purchase Order.

Bidders **MUST** state manufacturer's name and catalog number of each item bid.

**ABSOLUTELY NO MINIMUM ORDERS** shall be applied to this bid.

Purchases made by Nassau County are not subject to State or Local Sales Tax or Federal Excise Taxes.

**Federal Exemption Number: A-109538**      **State Exemption Number: EX 7213062C**

Inside (receiving dock) delivery is required on all orders.

The rights and obligations of the parties under this agreement shall be governed by the laws of the State of New York.

Bids are hereby solicited for the commodities and/or services specified herein which are to be delivered and/or performed at the locations indicated, and in strict accordance with all specifications, terms and conditions attached hereto and made part hereof.

Bid document must be signed by proprietor, partner or corporate officer.

The clauses contained in these bid forms set forth the wishes of the County of Nassau in regard to the purchase and/or services required. However, the Director reserves the right to waive irregularities, omissions, or other technical defects if, in its judgment, the best interest of the County of Nassau will be served accordingly.

Bidders may take exception to paragraphs of the bid under a separate cover letter to be attached to this bid, indicating the specific bid page, paragraph and the exception(s). In any event, the decision of the Director will be final.

Qualification statement **MUST BE COMPLETED** and submitted with bid. See page 4 for further details

**FIRM PRICES:** Prices will be firm for a period of ONE YEAR from the issuance of the Blanket Order and no changes will be allowed. If prices are increased or decreased by the manufacturer after 30 days, the vendor may apply to the Director of Purchasing for permission to increase his prices. The request will be considered only if accompanied by documentary evidence of the necessity for increased prices. If the Director of Purchasing accepts the request, the Blanket Order will be amended accordingly.

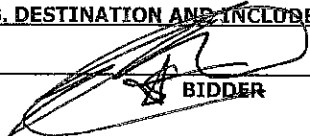
However, if the Director of Purchasing does not consider the new prices as fair and reasonable in the County's interest, the Blanket Order may be cancelled after 30 days written notice, and vendor agrees to fill all outstanding orders placed prior to cancellation. When prices to the trade are decreased, the prices of applicable items in the Blanket Order shall be decreased accordingly. It shall be incumbent on the vendor to notify the Director of Purchasing of such decreases immediately after it becomes effective.

**EVALUATION:**

The Director of the Office of Purchasing (hereinafter known as the Director) reserves the right before making award to make investigations as to whether or not the items, qualifications, services or facilities offered by the Bidder meet the requirements set forth herein and are ample and sufficient to insure the proper performance in the event of an award. The Bidder must be prepared, if requested by the Director, to present evidence of experience, ability and financial standing, as well as a statement as to plant, machinery, trained personnel and capacity for the rendition of the service on which he is bidding. Upon request of the Director of Purchasing, successful bidder shall file certification from the manufacturer relative to authorization, delivery, service and guarantees. If it is found that the conditions of the bids are not complied with or that the services or equipment proposed to be furnished do not meet the requirements called for, or that the qualifications, financial standing or facilities are not satisfactory, the Director may reject such bids. It is distinctly

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BIDDER

JOHN SERB

General Manager

TITLE

understood, however, that nothing in the foregoing shall mean or imply that it is obligatory upon the Director to make any examinations before award; and it is further understood that, if such examination is made, it in no way relieves the Bidder from fulfilling all requirements and conditions of the bid.

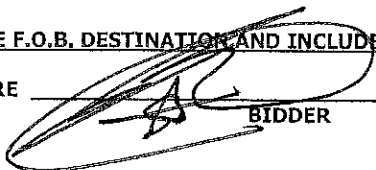
## Specifications:

### 2020 HORT BID ITEMS

<u>ITEM #</u>	<u>DESCRIPTION</u>	<u>ESTIMATED USAGE</u> <u>PER YEAR</u>	<u>UNIT PRICE</u>	<u>EXTENDED PRICE</u>
<b><u>FERTILIZER</u></b>				
1	Andersons 13-0-26 Contec DG Dispersing Granule Technology SGN: 75 40 lb. bag	50 bags	<u>\$56.00</u>	<u>\$2,800.00</u>
2	13-20-20 Starter fertilizer With Armament	400 bags	<u>No Bid</u>	
3	Andersons 18-24-12 SGN: 215 50 lb. bag	600 bags	<u>\$25.85</u>	<u>\$15,510.00</u>
4	Andersons 19-0-15 Contec DG Dispersing Granule Technology SGN: 75 40 lb. bag	50 bags	<u>\$54.50</u>	<u>\$2,725.00</u>
5	Andersons 19-26-5 with Nutralene Nitrogen 50 lb. bag	65 bags	<u>\$35.75</u>	<u>\$2,323.75</u>
6	21-0-0 100% Ammonium Sulphate Spray able 50 lb. bag	50 bags	<u>\$14.45</u>	<u>\$722.50</u>
7	21-0-0 100 % Ammonium Sulphate Granular 50 lb. bag	50 bags	<u>\$12.85</u>	<u>\$642.50</u>
8	Andersons 31-0-10 <i>Lebanon</i> Dispersing Granule Technology 100 bags SGN: 150 50 lb. bag <i>67% Meth Urea</i>		<u>\$34.15</u>	<u>\$3,475.00</u>
9	Andersons 46-0-0 Particle size SGN: 215	<i>Homogenous</i> 50 bags	<u>\$26.80</u>	<u>\$1,340.00</u>
10	Holganix 66GC CT Liquid Compost tea containing mycorrhizae, Streptomyces, trichoderma, protozoa, auxins	100 cases	<u>No Bid</u>	

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JOHN SIEB

General Manager

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OFFICE OF PURCHASING  
COUNTY OF NASSAU STATE OF NEW YORK

FORMAL SEALED BID PROPOSAL  
8720-05210-066

Yucca extract, chitin-degrading bacteria, humic  
And fulvic acids  
2 x 2.5 gal / case

<u>ITEM #</u>	<u>DESCRIPTION</u>	<u>ESTIMATED USAGE</u> <u>PER YEAR</u>	<u>UNIT PRICE</u>	<u>EXTENDED PRICE</u>
11	Nutralene 22-0-22 with Armament 100% Nutralene SGN: 195 Coarse Grade 50 lb. bag	750 Bags	<u>No Bid</u>	
12	Nutralene 22-0-22 with Armament 100% Nutralene SGN: 145	60 Bags	<u>No Bid</u>	
13	Mini Grade 50 lb. bag	60 Bags	<u>No Bid</u>	
14	Nutralene 40-0-0 100% Nutralene SGN: 195 Coarse Grade 50 lb. bag	250 bags	<u>\$43.20</u>	<u>\$10,800.00</u>
15	Maxwell Turf Formulation Water Soluble 24-8-16 25 lb. bag	30 Bags	<u>No Bid</u>	
16	0-0-50 100% Sulfate of Potash Mini Fertilizer Potassium Sulfate 50 lb. bag	50 Bags	<u>\$24.20</u>	<u>\$1,210.00</u>
17	Nature Safe 8-3-5 Stress Guard Fertilizer Fine Grade 50 lb. bag	100 Bags	<u>No Bid</u>	
18	EarthWorks 2 x 2.5 gal / case Protein Plus 14-2-6 with Traces	4 Cases	<u>No Bid</u>	
19	EarthWorks 2 x 2.5 gal/ case Trilogy 1-5-5	2 Cases	<u>No Bid</u>	
20	EarthWorks Calcium Complex Cal-Vantage 2 x 2.5 gal/ case	4 Cases	<u>No Bid</u>	
21	Ferromec AC Liquid Iron 15-0-0 2 x 2.5 gal/ case	10 Cases	<u>\$54.75</u>	<u>\$547.50</u>
22	Caliber Cote Slow Release Fertilizer 18-6-12 50 lb. bag	15 Bags	<u>\$54.92</u>	<u>\$823.80</u>
23	UMAXX 50 lb/ bag 46-0-0 sprayable fertilizer	300 Bags	<u>\$33.00</u>	<u>\$9,900.00</u>

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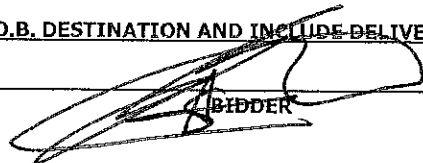
24	W F Gravity .38 Special Phosphite fertilizer 2 x 2.5 gal case	36 Cases		
ITEM #	DESCRIPTION	ESTIMATED USAGE PER YEAR	UNIT PRICE	EXTENDED PRICE
<b><u>INSECTICIDES</u></b>				
25	Acelepryn 4 x ½ gallon per case	10 Cases	<u>\$2,023.00</u>	<u>\$20,230.00</u>
26	Dylox 420 SL 2 x 2.5 gal/ case	25 <del>Bags</del> cases	<u>\$195.00</u>	<u>\$4,875.00</u>
27	Ferrence 2 x 96 oz jugs per case	10 Cases	<u>\$3,440.00</u>	<u>\$34,400.00</u>
28	Provaunt <i>1200z Bottle</i> 8/ 10 oz bottles per case	10 <del>cases</del> bottles	<u>\$852.00</u>	<u>\$8,520.00</u>
29	Tempo SC Ultra 8/ 900 ml bottles/ case	15 cases	<u>\$1,427.00</u>	<u>\$21,405.00</u>
30	Merit 75 WSP <i>-(Sub) Enforce 75Wsp</i> 48 x 1.6 oz water soluble pkts/case	15 cases	<u>\$187.00</u>	<u>\$2,805.-</u>
31	Merit 0.5 G - 30 lb. bag <i>- Sub Imidacloprid 5G</i>	10 bags	<u>\$24.35</u>	<u>\$243.50</u>
32	Scimitar GC 8 quart bottles/ case	10 cases	<u>\$1,300</u>	<u>\$13,000.00</u>
33	Sevin SL Carbyl Insecticide 2 x 2.5 gal/ case	10 cases	<u>\$258.00</u>	<u>\$2,580.00</u>

**FUNGICIDES**

34	Alliette Signature Fungicide 22 lbs./ case	8 cases	<u>No Bid</u>	
35	Armor Tech TEB 360 Foliar Fungicide 4 x 1 gal/ case	25 cases	<u>No Bid</u>	
36	Banner Maxx Fungicide 2 x 1 gal / case	40 cases	<u>\$436.00</u>	<u>\$17,440.00</u>
37	Banol Fungicide 2 x 2.5 gal/ case	35 cases	<u>\$1,965.00</u>	<u>\$68,775.00</u>
38	Bayleton 50 WSP 50 x 11 oz./ drum	22 drums	<u>No Bid</u>	

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BIDDER

*General Manager.*  
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COUNTY OF NASSAU STATE OF NEW YORK

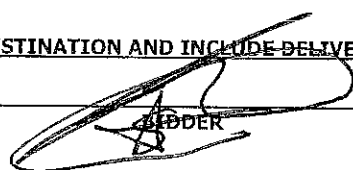
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Fungicide

ITEM #	DESCRIPTION	ESTIMATED USAGE PER YEAR	UNIT PRICE	EXTENDED PRICE
39	Bayleton 50 WSP 4 x 4 x 5.5 oz. /case Fungicide	4 cases	No Bid	
40	Chipco 26019 Sub - Qualipro Ipro 2SE 2 x 2.5 gal / case	8 cases	\$311.00	\$2,488.00
41	Civitas Fungicide 55 gallon drum	40 drums	No Bid	
42	Cleary 3336F Turf & Ornamental 2 x 2.5 gal / case Systemic Fungicide	Sipcam Tee off Sub 4 cases	\$254.00	\$1,016.00
43	Compass Fungicide 4 x 1 lb. / case	20 cases	\$1,740.00	\$34,800.00
44	Daconil Flowable Fungicide Weather Stik - 2 x 2.5 gal / case	100 cases	\$320.00	\$32,000.00
45	Daconil Flowable Fungicide Action 2 x 2.5 gal / case	20 cases	\$405.00	\$8,100.00
46	Daconil 5G Fungicide 40 lb. bag	<del>Chlorothalonil 50</del> 20 bags	N/A	
47	Fiata Stressgard 2 x 2.5 gal / case	35 cases	\$280.00	\$9,800.00
48	Fore 80 WSP Rainshield 8 x 6 lb. bags Fungicide of 4 x 1.5 water soluble packets 48 lbs. / case	10 Cases	\$404.00	\$4,040.00
49	Fosetyl Al Fungicide 2 x 2.5 gal / case 4 x 5.5 # case	10 cases	330.-	3300.-
50	Heritage Fungicide 4 x 6 lbs. / case	10 cases	\$7,752.00	\$77,520.00
51	Honor Fungicide 6 x 3 lb. / case	10 cases	\$2,754.00	\$27,540.00
52	Insignia Fungicide 2.4 lb. / pack	4 packs	No Bid	

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JOHN S. B.

General Manager.

TITLE

OFFICE OF PURCHASING  
COUNTY OF NASSAU STATE OF NEW YORK

FORMAL SEALED BID PROPOSAL  
8720-05210-066

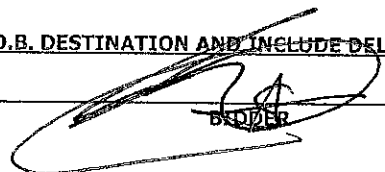
ITEM #	DESCRIPTION	ESTIMATED USAGE PER YEAR	UNIT PRICE	EXTENDED PRICE
53	Interface Stressgard Fungicide 2 x 2.5 gal / case	10 cases		
54	Instrata Fungicide 2 x 2.5 gal / case	20 cases	\$810.00	\$16,200.00
55	Peregrine Fungicide 4 x 5 lbs. / case	10 cases	No Bid	
56	Propicanizole 2 x 2.5 gal / case	25 cases	219.00	5475.00
57	Signature Stressgard 2 x 2.5 gal / case	8 cases	\$700.00	\$5,600.00
58	Tartan Stressgard Fungicide 2 x 2.5 gal / case	10 cases	\$1,700.00	\$17,000.00
59	Veranda T Water Dispersible Granule 4 x 4.8 lbs. / case	10 cases	No Bid	
60	Zoxy T 2 x 1 gal / case	10 cases	No Bid	

**HERBICIDES**

61	Andersons K-O-G 35.5 lb. bag Weed Control	10 bags	N/A	
62	Andersons Goosegrass/ 28.87 lb. bag Crabgrass Control	40 bags	\$103.00	\$4,120.00
63	Avenger Organic Weed Control 4 x 1 gal / case	5 cases	No Bid	
64	Dimension Ultra WSP 8 x 2.5 Lb 8 x 2.5 gal / case	5 cases	\$936.00	\$4,680.00
65	Garlon 2 x 2.5 gal / case	4 cases	\$400.00	\$1,640.00
66	Round-up Pro 2 x 2.5 gal / case	25 cases	\$72.00	\$1,800.00
67	Sedge Hammer 10 x 1.3 oz. / case	10 cases	\$538.50	\$5,385.00

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TITLE

OFFICE OF PURCHASING  
COUNTY OF NASSAU STATE OF NEW YORK

FORMAL SEALED BID PROPOSAL  
8720-05210-066

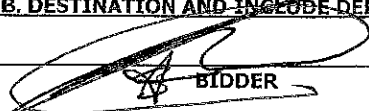
68	Tenacity Herbicide <del>2 x 2.5 gal / case</del>	4 x 1 gal case	4 cases	<u>\$3,100.00</u>	<u>\$12,400.00</u>
ITEM #	DESCRIPTION	ESTIMATED USAGE PER YEAR		UNIT PRICE	EXTENDED PRICE
69	Treflan 500 Granules 40 lb. bag	40 bags		<u>\$27.95</u>	<u>\$1,118.00</u>
70	Super Trimec 2 x 2.5 gal / case Broadleaf Herbicide	10 cases		<u>\$426.00</u>	<u>\$4,260.00</u>
71	Trimec Broadleaf 2 x 2.5 gal / case BENTGRASS FORMULA	5 cases		<u>\$210.00</u>	<u>\$1,050.00</u>
72	Trimec Classic 2 x 2.5 gal / case Broadleaf Herbicide	10 cases		<u>\$205.00</u>	<u>\$2,050.00</u>

SEED

73	Park Mix Grass See 20% Envita Kentucky Bluegrass, 20 % Washington Kentucky 20% Devine Perennial Ryegrass 20% Bright Star II Perennial Ryegrass 20% Berkshire Hard Fescue 50 lb. bag	10,000 lbs.	<u>\$1.83 per lbs</u>	<u>\$18,300.00</u>
			20% JACKPOT KY BLUEGRASS 20% DIVA KY BLUEGRASS 20% PALMER III PER RYEGRASS 20% INFUSION PER RYEGRASS 20% VIKING HARD FESCUE	
74	PHD Ryegrass Seed 40% Derby Supreme Perennial Ryegrass Minimum germination 90%, Purity 95% 40% Regal Perennial Rye, minimum germination 90%, Purity 95%, 20% Gator Perennial Ryegrass minimum germination 90%, purity 95% 50 lb. bag	15,000 lbs.	<u>\$1.14 LBS</u>	<u>\$17,100.00</u>
			40% Grandslam Per. RYE GLD 40% STELLAR Per. RYE 36L 20% FASTBALL Per RYE RGL	
75	Shark Bentgrass Creeping Bentgrass Seed With XCD coating Varieties and percentages must be equivalent to rating based on NTEP reports 25 lb. bag	2500 lbs.	<u>\$7.24 lbs</u>	<u>\$18,100.00</u>
			COHO Bentgrass / TOP VARIETY at Rutgers University	
76	Penn A-4 Creeping Bentgrass Seed Varieties and percentages must be equivalent to rating based on NTEP reports	1500 lbs	<u>\$10.24</u>	<u>\$15,360.00</u>

ALL BIDS MUST BE F.O.B. DESTINATION AND INCLUDE DELIVERY WITHIN DOORS UNLESS OTHERWISE SPECIFIED.

BIDDER SIGN HERE

 BIDDER

General Manager

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25 lb. bag

ITEM #	DESCRIPTION	ESTIMATED USAGE PER YEAR	UNIT PRICE	EXTENDED PRICE
77	High End Short Cut 50 % Diva Kentucky Bluegrass Bluegrass Seed 25% Award Kentucky Bluegrass 25% Midnight II Kentucky Bluegrass Varieties and percentages must be equivalent to rating based on NTEP reports 25 lb. bag	1500 lbs.	<u>2.74</u> lbs	<u>\$4,110.<sup>00</sup></u>
			50% DIVA KY BLUEGRASS 25% YELLOW STONE KY BLUEGRASS 25% LEGEND KY BLUEGRASS	
78	Thick Native Mixture 75% Rescue 911 Hard Fescue 25% Jamestown 5 Chewings Fescue Varieties and percentages must be equivalent to rating based on NTEP reports 50 lb. bag	500 lbs	<u>2.44</u> lbs	<u>\$1,220.<sup>00</sup></u>
			75% <del>RESCUE</del> VIKING HARD FESCUE 25% COMPASS CHERRY FESCUE	
79	Thin Native Mixture 50% Marco Polo Sheeps Fescue 50% Rescue 911 Hard Fescue Varieties and percentages must be equivalent to rating based on NTEP reports 50 lb. bag	500 lbs.	<u>2.55</u> lbs	<u>\$1,275.<sup>00</sup></u>
			50% AZURE SHEEPS FESCUE 50% VIKING HARD FESCUE	
80	Little Bluestem 100% Little Bluestem Must be equivalent to rating based on NTEP reports 50 lb. bag	200 lbs	<u>17.50</u> lbs	<u>\$3,500.<sup>00</sup></u>
81	Bluegrass Mixture 34% Diva Kentucky Bluegrass 33% Award Kentucky Bluegrass 33% Beyond Kentucky Bluegrass Varieties and percentages must be equivalent to rating based on NTEP reports 50 lb. bag	2500 lbs	<u>2.65</u> lbs	<u>\$6,625.<sup>00</sup></u>
			34% DIVA KY BLUEGRASS 33% YELLOWSTONE KY BLUEGRASS 33% LEGEND KY BLUEGRASS	
82	fescue/Bluegrass Blend 45% Spyder Tall Fescue 45% Inferno Tall Fescue 10% Diva Kentucky Bluegrass Varieties and percentages must be equivalent to rating based on NTEP reports 50 lb. bag	500 lbs	<u>1.49</u> lbs	<u>\$745.<sup>00</sup></u>
			45% SPYDER TALL FESCUE 45% INFERNO TALL FESCUE 10% DIVA KY BLUEGRASS (PER SPEC)	
83	Deluxe Shade Mix 35% Compass II Chewing Fescue	600 lbs	<u>1.49</u> lbs	<u>894.<sup>00</sup></u>

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BIDDER SIGN HERE

*[Signature]*  
SEIB BIDDER


JOHN SEIB

General Manager

TITLE

**FORMAL SEALED BID PROPOSAL**  
**8720-05210-066**

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 JOHN SEIB

**ALL BIDS MUST BE F.O.B. DESTINATION AND INCLUDE DELIVERY WITHIN DOORS UNLESS OTHERWISE SPECIFIED.**

~~O.B. DESTINATION AND INCLUDE~~  
~~BIDDER~~

General Manager

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	Granular Greens Grade 50 lb. bag	25 bags	<u>\$4.35</u>	<u>\$108.75</u>
	<i>40 Lb bag</i>			
ITEM #	DESCRIPTION	ESTIMATED USAGE PER YEAR	UNIT PRICE	EXTENDED PRICE
96	Limestone Pulverized 50 lb. bag	10 bags	<u>\$3.95</u>	<u>39.50</u>
97	Limestone Pelletized Greens Grade 50 lb. bag	25 bags	<u>\$7.10</u>	<u>\$177.50</u>
98	Limestone Calclitic, Pelletized Bulk	50 tons	<u>\$244.00</u>	<u>\$12,200.00</u>
99	Cost to Spread above item <i>20 acre Minimum</i>	100 acres	<u>\$1,500/20 acres</u>	<u>\$7,500.00</u>
100	Guideline marking line 50 lb. bag	200 bags	<u>\$5.15</u>	<u>\$1,030.00</u>
101	Turfce Athletics MVP Profile infield conditioner Small granular 50 lb. bag	600 bags	<u>\$12.70</u>	<u>\$7,620.00</u>
102	Rainout - <i>slab = Turf</i> Field Drying Agent 10 lb. bucket	10 buckets	<u>\$13.10/50Lb</u>	<u>\$131.00</u>
	<i>50 Lb Bag</i>			
103	Golf Soil Testing Standard elemental soil testing For golf course greens, Tees and fairways	2 times annually	<u>No Bid</u>	

PLEASE ALLOW FOR PARTIAL PAYMENTS

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BIDDER SIGN HERE

*[Signature]*  
BIDDER

*JOHN SEIB*

*General Manager*

TITLE



# FORMAL BID RECOMMENDATION

BID NUMBER: 8720-05210-066

OPEN May 21st, 2020

TITLE: Horticulture Products

DATE: June 22nd, 2020

TO: Deirdre Ciminera, Buyer

FROM: ADMINISTRATION

PLEASE REVIEW ATTACHED BID RESULT. NOTE YOUR RECOMMENDATION FOR AWARD.

FORWARD THIS TRANSMITTAL SHEET TOGETHER WITH BID FILE. RETAIN REQUISITION.

Date: June 22nd, 2020		Item	Bid Results Bidder
To: Supervisor From: Deirdre Ciminera, Buyer		001,002,004,010-012, 014,015,017- 020,023,027,	Award will be given to:
List of recommended awards in accordance with the attached summary is shown in column at right.		029,031-0038, 040-045, 047, 048, 050, 053, 054,	42-46 PC 3/3/21 Nassau Suffolk Turf Services
<i>Deirdre Ciminera</i> Buyer		057-060, 069-072, 075, 076, 082, 084-088, 091, 092,094	
		003, 008, 024, 028, 039, 046, 049, 051, 052 064, 065, 068, 073, 093	Metro Milorganite, INC.
Date: _____		005-007, 009, 016, 021, 022, 025, 026, 030, 056 062, 066, 067, 074, 077-081, 083, 095-102	All Pro Horticulture INC.
To: Director From: Supervisor			
<input type="checkbox"/> Concur <input type="checkbox"/> Disagree (See Reverse)			
Date: <u>6/22/20</u>		089, 090, 103	Island Bio Greens
To: Buyer <input checked="" type="checkbox"/> Approved for Award			
From: Director <input type="checkbox"/> Hold award pending discussion			
<input checked="" type="checkbox"/> Subject to Legislature Approval			
<i>Sellin</i> Director			