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COMMONWEALTH OF VIRGINIA
DIVISION OF PURCHASES AND SUPPLY
1111 E. BROAD STREET
P. O. BOX 1199
RICHMOND, VIRGINIA 23218-1199

NOTICE OF CONTRACT AWARD

EXEMPT FROM eVA

1. DATE November 1, 2005
2. COMMODITY NAME Express Delivery Services
3. CONTRACT NUMBER 91026-60VAPP
4. CONTRACT PERIOD November 7, 2005 through October 31, 2008
5. SUPERSEDES 91026-40
6. AUTHORIZED USERS State Agencies, Institution of Higher Educations, Public Bodies, Community Service Boards and other entities authorized by the Code of Virginia.
7. CONTRACTORS' FEIN NUMBER See Page 7
8. CONTRACTOR See Page 7
9. CONTRACTOR/ CONTACT/ PHONE NUMBER See Page 7
10. TERMS Net 30
11. DELIVERY See Page 3
12. MINIMUM ORDER NONE
13. FOR FURTHER CONTRACT INFORMATION CONTACT: Bob Parolisi,
robert.parolisi@dgs.virginia.gov Pone (804) 786-0078 Fax (804) 786-5413
14. ADDITIONAL COPIES OF CONTRACTS AND ANY ASSOCIATED CONTRACT CHANGES MAY BE VIEWED AND PRINTED AT THE DPS WEBSITE: www.dgs.state.va.us/dps.
15. NOTICE TO ALL STATE AGENCIES: This contract is the result of a competitive bid program and its use is **mandatory** for all State Agencies (unless otherwise indicated in item 6 above) in the purchase of any commodity listed herein.
17. **Note:** This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

By: Robert A. Parolisi
Statewide Services Contract Officer

1. Purchase orders, this contract has been exempted from participation in the Commonwealth's electronic procurement system. Purchase orders will be submitted directly to the Contractor and must reference contract # 91026-60. This contract is authorized for use by Institutions of Higher Education, localities, Virginia cities, counties, town and political subdivisions.

Written Purchase Orders Required by the Contractor. **When required by the contractor**, state agencies and public bodies will supply written purchase order forms for orders under \$5,000.

Verbal/Facsimile Orders. When a written purchase order is not required by the contractor, state agencies have the authority to place verbal and/or facsimile orders for requirements valued at less than \$5,000.

Payment – It is desirable that the contractor accept payment through a Small Purchase Charge Card for payments not exceeding \$5000.00.

2. If this contract is authorized for use by localities (see line item 6, page 1), Institutions of Higher Education, Virginia cities, counties, towns and political subdivisions may use their own form to order items listed in this contract.
3. The applicable contract number must be shown on each purchase order and copy, each facsimile transmission or given verbally when telephonic orders are placed.
4. Inspection on delivery and approval of vendor's invoice is the responsibility of receiving state agency, Virginia City, county, town or political subdivision.
5. Any complaint as to quality, faulty or delinquent delivery, or violation of contract provisions by contractor shall be reported to the Division of Purchases and Supply for handling with the contractor. Preprinted forms (DGS-41-024), by which to facilitate the notification of the contractor and this office of complaints, are available from the Division of Purchases and Supply (786-8873).
6. Renewals. Three (3), one year renewals remain. The decision as to whether to exercise the next renewal option will be made by the contract officer approximately four to six months in advance of the expiration date of the current term.
7. Price Adjustments. No base transportation (as specified in the Carrier Agreement) price adjustment during the current term of the contract is allowed, price escalation may be allowed every 365 days thereafter, if justified. Note: International Rates are a % off List Rates at the time of shipment, per the current UPS Rate and Service Guide. Accessorial fees not specified are per the current UPS Rate and Service guide in effect at the time of shipment which is available in hard copy or down-load at www.ups.com/content/us/en/resources/service/download.html. The contract officer makes the decision to allow or deny a request for increase based upon the documentation

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submitted by the contractor. The contractor is required to pass on any price reductions immediately. **IMPORTANT!** All price increases must be approved by the contract officer. Contract users will be sent a Notice of Contract Change from this office as official notification of such changes, if approved.

INSTRUCTIONS

1. This contract has been established by competitive negotiations to provide a statewide contract for the pick up, shipment and delivery of documents and packages from using agencies and institutions to any address in the United States and its territories, via air and ground delivery. Air delivery is provided for international delivery services of documents and packages as well. 1st Class Mail consolidation services are also provided through UPS "Mail Innovations" for both domestic and international mail.
2. This contract is the result of a competitive negotiation program and its use is **mandatory** for all Agencies of the Commonwealth. Obtaining this service from any other source must have the prior approval of the Division of Purchases and Supply contract officer. Refer to Section 1.3, 1.4 and 13.7a of the *Agency Procurement and Surplus Property Manual*.

SPECIAL NOTE: Freight collect and 3rd party billing options are available through UPS. You may take advantage of the contracted price by instructing any vendor who is shipping documents and packages to you location to ship using your location's account number with UPS, thereby taking advantage of our lower negotiated contract rates. You will be billed directly by UPS (each end user will be responsible for the accuracy of this billing). Simply provide your 6 digit UPS Account (shipper Number) to the vendor and instruct them to ship the packages utilizing the Freight collect billing Option. Request 3rd Party billing if the consignee is a location different from your account location. Note: Freight Collect 3rd Party billing is not available through UPS Mail Innovations Services. 05/08/06

3. **The contractor is only authorized to provide the services that are specified in this Contract Award.** Vendors, which intentionally sell or attempt to sell goods or services to a state agency, which are under contract with another vendor, result in suspension and/or debarment. Refer to Section 1.4a of the *Agency Procurement and Surplus Property Manual*.
4. **Contract Utilization/UPS Contact** - To effectively utilize enclosed UPS rate charts as provided in this Contract Award, each agency **must** contact Patty Fallin at (888) 461-5046 to either verify or establish an assigned account number. Agencies should be prepared to provide the following information:
 - ◆ Agency name
 - ◆ Division name
 - ◆ Physical address
 - ◆ Contact name
 - ◆ Contact phone number
 - ◆ Average weekly volume by service (how many Next Day Air, 2nd Day Air, ground or

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international shipments are sent weekly from your location)

Betty Hudgins will verify or assign an agency account number as well as provide the name of the assigned UPS Account Representative for the particular agency. The Account Representative will contact each Agency and will work closely to provide essential information such as: rate charts, time in transit maps, scheduling of routine and non-routine pick-ups, claims procedures and policies for lost shipments, invoice concerns, and UPS software products to assist in shipping and tracking documents/packages.

5. Price Adjustments –No base transportation price adjustments are permitted during the term of the contract.
6. Payment Methods:
 - a. **EDI** – All State agencies are encouraged to process their payments to UPS through the Electronic Data Interchange (EDI) program administered by DOA. EDI electronically transfers funds from the Commonwealth's bank account to UPS's designated bank account. Because of the numerous weekly payments to UPS, EDI is more cost efficient. EDI will allow UPS to have access to their funds on the due date. **Use FEI# 362407381 for all EDI payments.**
 - b. MasterCard Corporate Charge Card – **Use FEI # 131426500 for all MasterCard payments and others.** Agencies are authorized to utilize the MasterCard corporate charge card program for this contract **provided** UPS is contacted (Betty Hudgins at (804) 261-3590 or Toll Free (888) 461-5046) to either verify or establish an agency account number and inform UPS that payment method will be via the MasterCard. UPS will link the agency account number to the MasterCard to insure contract rates are applied.
7. Agency Contracts - State agencies and institutions currently under contract for delivery services may choose to receive delivery services under this contract upon expiration of their current contracts or before, if the cancellation notice is exercised according to contract terms.
8. Supplies - UPS will provide supplies (envelopes, pouches, tubes, forms, packages, boxes and labels) necessary for **air** and international express/expedited shipment of packages and documents. Sufficient supplies should be maintained at the Using agency at all times.
9. Insured Value - UPS automatically protects packages against loss or damage up to \$100 per package, at no extra cost. Additional coverage up to \$50,000 per package is available at \$1.20 for values between \$100.01 and \$300.00, and \$.40 per \$100.00 for values between \$300.01 and \$50,000.00. To insure a package having a value greater than \$100, show the full value in the **Insured Value** field as appropriate for your UPS shipping system.

NOTE: EFFECTIVE 01/03/2006 THE FOLLOWING INSURED RATES WILL APPLY:

“Insured Value - UPS automatically protects packages against loss or damage up to \$100 per package, at no extra cost. Additional coverage up to \$50,000 per

package is available at \$1.50 for values between \$100.01 and \$300.00, and \$.50 per \$100.00 for values between \$300.01 and \$50,000.00. To insure a package having a value greater than \$100, show the full value in the Insured Value field as appropriate for your UPS shipping system”.

10. Delivery Confirmation Service – Select the appropriate delivery confirmation service as identified in the UPS Rate Service Guide.
11. Hazardous Materials – UPS offers transportation of hazardous materials in passenger aircraft quantities prepared according to the requirements set forth in the *Code of Federal Regulations* Title 49 and the *UPS Guide for Shipping Ground and Air Hazardous Materials*. UPS Hazardous Materials service is provided by contract only and must be approved by UPS and DGS. A Hazardous Materials Guide can be down-loaded/viewed at www.ups.com/content/us/en/resources/prepare/hazardous/index.html. In some cases, UPS requirements are more restrictive than those of the U.S. Department of Transportation (DOT). UPS will not accept shipments containing KNOWN infectious diseases. Other shipments containing unknown or hazardous materials must be packaged in accordance with DOT Packaging Guidelines. Any questions in regards to packaging or acceptance of hazardous materials should be directed to UPS at (800) 554-9964.
12. Use of the ZIP Code – The ZIP Code is an important part of the address. Therefore, to help ensure dependable service, it is essential that the ZIP Code be included in the delivery address.
13. Deliveries Attempted Three Times Without Extra Charge – In case UPS is unable to complete delivery of a package, a UPS Info-Notice will be left at the consignee’s address stating that delivery has been attempted. Thereafter, a second and, if necessary, a third attempt to deliver the package will be made without additional charge.
14. Return of Undeliverable Packages – packages refused by consignees or which for any other reason cannot be delivered will be promptly returned to the shipper. Return charges will be the discounted net outbound rate.
15. Correction of Wrong Address – If UPS is unable to deliver any package because of an incorrect address, UPS will refer to the telephone directory and make every other reasonable effort to secure the correct address. If the correct address is secured, UPS will make another attempt at delivery and the shipper will be notified of the correction of address. An additional charge of \$5.00 ground and \$10.00 air will be assessed for each Address Correction or the current fee per the UPS rate and Service Guide in effect at the time of shipment.
16. Lost and Damaged Packages – **Packing your packages properly is essential.** In the event a package is damaged while in the trust of UPS, UPS will contact the Agency as soon as possible. A damage report will be mailed to the Agency the same day. Unless a greater value is declared in writing, in the space provided, on the shipping record provided to UPS, the Agencies declares the released value of each package to be no greater than \$100. Claims not made within nine months after delivery of the package

or, in the case of non-delivery, within nine months after a reasonable time for delivery has elapsed, shall be deemed waived.

17. Fuel Surcharges – UPS will not impose any additional charges (including fuel surcharges) to the rates offered to the Commonwealth of Virginia.
18. Daily Pickup – Daily Pickup is available for a \$7.00 weekly service charge. Daily Pickup can be established by contacting Betty Hudgins at (888) 461-5046
19. Calling for Same Day Pick-up: Normally, calls for same day pick-ups should be completed no later than 3:00 p.m. to insure pick-up by 5:00 p.m. Call UPS for all pick-ups at (800) 742-5877. (NOTE: UPS will accept requests as late as 7:00 p.m. for pick-up by 8:00 p.m. depending on the zip code.)
20. Brokerage Service: For Brokerage Service per shipment:
 - Routine customs clearance (including formal entries for shipments of up to five tariff lines) applies to UPS Worldwide Express Plus, UPS Worldwide Express, UPS Worldwide Expedited and UPS 3 Day Select Form Canada at no additional charge.
 - Additional charges may apply.
 - For UPS Standard to Canada shipments, UPS provides Customs Brokerage service unless otherwise specified by the importer. The importer is responsible for all brokerage charges, duties and taxes at time of import.
21. United Parcel Service (UPS) is authorized to provide document and package delivery services as indicated below. Delivery service is divided into Domestic and International Services.

Domestic Service Options

UPS Next Day Air Early A.M. - Guaranteed overnight delivery by 8:00 a.m. to major cities in the 48 contiguous states and by 8:30 a.m. to many other U.S. cities, including Anchorage, Alaska.

Note: An additional fee of \$28.50 will be added to the regular rate charge for this service.

UPS Next Day Air - Guaranteed overnight delivery by 10:30 a.m., noon, or end of day the next business day depending on destination (noon or 1:30 p.m. on Saturdays), to every address in all 50 states and Puerto Rico.

UPS Next Day Air Saver - Affordable end of day guaranteed delivery to all 50 states and Puerto Rico (this service is not available to destinations where UPS Next Day Air is committed for end of day or is not available).

UPS 2nd Day Air A.M. - Guaranteed morning delivery on all your second business day shipments to commercial locations in the 50 states.

UPS 2nd Day Air- Guaranteed on-time delivery to every address in the United States (excluding intra-Alaska shipments) and Puerto Rico by the end of the second business day.

UPS 3 Day Select - Guaranteed delivery within three business days to and from every address in the 48 contiguous states.

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UPS Ground - Guaranteed day-definite delivery defined by zip code to every address in the U.S. 48 contiguous states and Canada's 10 provinces.

Hundredweight Service Less than pallet load services are available for agencies with frequent shipments of 200 lbs. to 1000 lbs.

Return Services – UPS offers commercial Return Services for Next Day Air, Second Day Air, 3 Day Select and Ground.

UPS Mail Innovations - UPS Mail Innovations provides domestic US mail logistics through its work share relationship with the US Postal Service. Through Expedited Mail Services, UPS Mail Innovations expedites flats, mail that weighs less than 1 pound and bound printed matter. UPS Mail innovations offers convenience and reliability to customers by providing the upstream mail processes, such as pickup, sorting, weighing, applying postage and inducting mail into the US Postal Service for final delivery in the US. Contact Lesley Knight at 703-855-3922 or at lknight@ups-mi.com for more information or set up.

International Service Options

UPS Worldwide Express Plus - Guaranteed second business day delivery to 215 cities in 15 European countries. Delivery is guaranteed by 8:30 a.m. For shipments to Canada, UPS guarantees delivery by 8:30 a.m. on the next business day

UPS Worldwide Express - Guaranteed second business day delivery to more than 200 countries and territories. Delivery is guaranteed by 10:30 a.m. for shipments to major business centers, and by end of day to most other destinations

UPS Worldwide Expedited - For delivery to over 52 countries. Deliveries to Mexico and Canada are guaranteed to be delivered within three business days to most destinations. Deliveries to Europe and Asia are guaranteed to be delivered within four or five business days to most destinations

UPS Standard to Canada - For delivery of shipments to Canada, we offer low-cost, guaranteed ground delivery to most addresses in the 10 provinces

UPS Import Services – UPS provides import international services including Express, Expedited and Standard from Canada.

UPS Mail Innovations - UPS Mail Innovations provides international mail services. UPS Mail Innovations can process and transport US Outbound international mail within 24 hours of receipt from customers. Contact Lesley Knight at 703-855-3922 or at lknight@ups-mi.com for more information or set up.

Note: Not all international services are available at every location.

CONTRACTOR INFORMATION

United Parcel Service (UPS)

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**8701 Park Central Dr., Suite 240
Richmond, VA 23227**

FEIN for EDI Payments: 362407381

FEIN for all other Payments: 131426500

*Contact: Patty Fallin
Business Development
Virginia District
Email: pcfalin@ups.com

Local Phone No. (804) 261-3428
Toll Free No. (888) 461-5046
Fax No. (804) 261-3523

***Virginia Account Manager
Contact: Michael Kiefer
Email: mkiefer@ups.com

Phone No. (804) 261-3400
Ext. 4156

*Betty Hudgins should be contacted to:

- ◆ Establish or verify Agency account number
- ◆ Obtain name of local assigned UPS Account Representative
- ◆ To report account concerns

Agencies should contact Michael Kiefer if their prior attempts to resolve concerns with their local assigned UPS Account Representative or Betty Hudgins, are not successful.