

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

NOTICE OF CONTRACT AWARD updated with Change 01, 02 and 03

EXEMPT FROM eVA

1. DATE April 3, 2012
2. COMMODITY NAME **Express Delivery Services**
3. CONTRACT NUMBER E194-1383
4. CONTRACT PERIOD **April 15, 2012 through April 14, 2014**
5. SUPERSEDES E194-264
6. AUTHORIZED USERS **Commonwealth of Virginia State Agencies and other Public Bodies**
7. CONTRACTOR **United Parcel Service (UPS)**
8. CONTRACTOR'S CONTACT INFORMATION See Page 12
9. CONTRACT INSTRUCTIONS See Page 3
10. CONTRACT PRICING See "UPS Pricing" and "UPS Accessorial Fees" attachments
11. CONTRACT DELIVERY SERVICE OPTIONS See Page 8
12. MINIMUM ORDER NONE
13. FOR FURTHER CONTRACT INFORMATION CONTACT: Matt Manion, CPPO, C.P.M., VCO
Phone (804) 786-2397 Fax (804) 786-5413 matt.manion@dgs.virginia.gov
14. THIS CONTRACT AND ANY CHANGES ARE AVAILABLE AT: www.eva.virginia.gov
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 service and 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.



Matt Manion, CPPO, C.P.M., VCO
Statewide Service 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 # E194-1383. This contract is authorized for use by Commonwealth of Virginia State Agencies and other Public Bodies. The Code of Virginia § 2.2-4301 defines "public body" to include "any legislative, executive, or judicial body, agency, office, department, authority, post, commission, committee, institution, board or political subdivision created by law to exercise some sovereign power or to perform some governmental duty....".

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 – Contractor shall accept payment through the Small Purchase Charge Card (SPCC).

2. If this contract is authorized for use by public bodies (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 or other public body.
5. Any complaint as to quality, faulty or delinquent delivery, or violation of contract provisions by contractor shall be reported to the contractor with a copy to the Division of Purchases and Supply. Preprinted forms by which to facilitate the notification of the contractor and this office of complaints, are available from the Division of Purchases and Supply at www.eva.virginia.gov.
6. Renewals. This contract may be renewed by the Commonwealth for up to three (3) one-year periods upon mutual agreement of the parties. See Special Terms and Conditions.
7. Price Adjustments. No price increases will be authorized for 365 calendar days after the effective date of the contract. Price escalation may be permitted at the end of 365 calendar days and each 365 calendar days thereafter and only where verified to the satisfaction of the purchasing office. See Special Terms and Conditions.

INSTRUCTIONS

1. This contract has been established by competitive negotiations to provide a statewide contract for use by Commonwealth of Virginia state agencies and other public bodies on an as-needed basis. Services include outbound and inbound air and ground express pick up, shipment, and 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. Reference Request for Proposal (RFP) 113 Express Delivery Services, issue date December 21, 2011 and eProcurement Folder 72635.
2. The use of this contract 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.
3. Vendors who intentionally sell or attempt to sell goods or services to an authorized participant who is under a mandatory contract with another vendor may be suspended and/or debarred by DGS/DPS. Refer to Section 2.1 of the *Agency Procurement and Surplus Property Manual*.
4. UPS Account Number: To effectively utilize enclosed UPS pricing as provided in this Contract Award, each agency must contact UPS Strategic Support at 1 800-877-1497 or virginia@ups.com 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 international shipments are sent weekly from your location)

UPS Strategic Support will verify or assign an agency account number and 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. Weight and Size: Packages up to 150 lbs. are covered by the contract, but some restrictions and exceptions apply. See "Weight and Size" attachment for weight and size limits for shipping using UPS. This information is also available at the UPS web site at www.ups.com (click on "Support", then "Shipping", then "Packaging and Supplies", then "Packaging Guidelines", then "Weight and Size Limits for Packages", then "Weight and Size Limits". Also see pricing document for Hundredweight Service, which may be used for shipments of over 200 pounds total shipment weight (per package maximum weight is 150lb).

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. Bank of America (BOA) VISA Charge Card – **Use FEI # 131426500 for all Bank of America (BOA) VISA Purchasing Card payments and others.** Agencies are authorized to utilize the VISA corporate charge card program for this contract **provided** UPS is contacted (UPS Strategic Support **1 800-877-1497** or virginia@ups.com) to either verify or establish an agency account number and inform UPS that payment method will be via the VISA card. UPS will link the agency account number to the VISA card 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 packaging is provided free of charge to UPS account holders for selected Air and Worldwide Express services. Other packaging supplies are sold at The UPS Store® and UPS Customer Center locations.
 9. Declared 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 \$2.40 for values between \$100.01 and \$300.00, and \$.80 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 Declared 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. The fee for confirmation service can be found in the attached *UPS Accessorial Fee* attachment.
 11. Hazardous Materials: UPS reserves the right to refuse to provide service for any package, which by reason of the dangerous or other character of its contents, may, in the sole judgment of UPS, soil, taint, or otherwise damage other packages or UPS's equipment, or which is improperly or insecurely packed or wrapped. Packages must be packed or wrapped to meet UPS's published standards (found in the UPS Rate and Service Guides and Tariff available online at ups.com®).

UPS does not accept for transportation any shipment that contains:

- Articles of unusual value
- Hazardous waste (see below for hazardous materials)
- Human remains, fetal remains, human body parts, or components thereof
- Common fireworks
- Packages that exceed size limitations or
- Packages presented for shipment at authorized shipping outlets that contain firearms, ammunition, or any hazardous materials requiring shipping papers

For details regarding other limitations on shipping, please see the UPS Tariff/Terms and Conditions of Service available online at ups.com[®].

UPS can transport the following classes of hazardous materials:

1. Class 1 – Explosives in Division 1.4 other than 1.4F
2. Class 2
 - a. Division 2.1 – Flammable gas
 - b. Division 2.2 – Non-flammable gas
3. Class 3
 - a. Flammable liquids
4. Class 4
 - a. Division 4.1 – Flammable solids
 - b. Division 4.2 – Spontaneously combustible
 - c. Division 4.3 – Dangerous when wet
5. Class 5
 - a. Division 5.1 – Oxidizer
 - b. Division 5.2 – Organic peroxide
6. Class 6
 - a. Division 6.1 – Toxic liquids and solids (No “Poison Inhalation Hazards”)
 - b. Division 6.2 – UN3373, Biological Substances, Category B, only
7. Class 7 (limited to U.S., Canada, and Mexico)
 - a. Radioactive White-I
 - b. Radioactive Yellow-II
 - c. Radioactive Yellow-III
8. Class 8
 - a. Corrosive liquids and solids
9. Class 9
 - b. Miscellaneous hazards

UPS only accepts packages containing wine or beer or alcohol from shippers who have signed and entered into a contract with UPS and only from shippers who are licensed and authorized under applicable laws to ship alcoholic beverages.

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 InfoNotice 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. There will be no charge for undeliverable returns for domestic shipping.
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 will be assessed for each Address Correction (or \$6.00 off the UPS Assessorial Matrix fee in effect at the time of shipment, for domestic and International Export and Import).

UPS has excellent tools to prevent address corrections. UPS has detailed address verification tools on both UPS Internet shipping (www.ups.com), UPS CampusShip (internet based) and UPS Worldship. Internet shipping and CampusShip will both verify the address prior to generating the shipping label. UPS Worldship will perform address verification through the "F8" key prior to label generation. These tools can reduce the address corrections immediately and could nearly eliminate them. This is the best means to reduce address correction cost.

WorldShip Technical Support (888) 553-1118
CampusShip Technical Support (800) 513-1819
Internet Shipping (877) 289-6418

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 Agency declares the released value of each package to be no greater than \$100.
17. Fuel Surcharges: UPS will not impose any fuel surcharges to the rates offered to the Commonwealth of Virginia.
18. Pickup Fees/Weekly Service Charges: No pickup fees or weekly service charges will be charged under this contract. Pickups can be established by contacting UPS Strategic Support at **1 800-877-1497** or virginia@ups.com .

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 Express Saver, 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. Campus Ship: UPS offers “Campus Ship” to all contract users, which is a comprehensive view of your agency’s shipping. You can centralize domestic and international shipping of documents, packages, and freight with visibility into all of your employees' transactions and expenses.

UPS CampusShip® is a secure Web-based shipping system that enables employees who are spread across multiple campuses, large office buildings, or locations worldwide to ship documents, packages, and heavy freight from any computer with Internet access. Import or integrate shipment data into your back-end mailroom, tracking, billing, and payment processes to further enhance your efficiency.

There is no installation of hardware, download, or extra fee required. CampusShip is easy to implement and easy to use. More information and a virtual CampusShip demonstration can be found at:

http://www.ups.com/content/us/en/bussol/browse/Cship.html?loc=en_US&viewID=productView&contentID=ct1_sol_sol_cship

22. SNS MOU: UPS has agreed to a *Memorandum of Understanding* (MOU) with the Commonwealth of Virginia Department of Health, and the Commonwealth of Virginia Department of Emergency Management, regarding the Strategic National Stockpile (SNS).
23. VASCUPP institutions: UPS will complete, upon request, a Carbon Impact Analysis for the nine VASCUPP Educational Institutions and waive the report fees for each institution that converts 100% of their shipments to UPS.
24. Network Diagnostic Analysis: UPS will provide, upon request, a total of two (2) Transportation Distribution Analysis (TDA) reports at no cost to the Commonwealth of Virginia per calendar year of this contract. Each TDA will be limited to a total of twenty (20) UPS shipper numbers. These TDA reports demonstrate the most efficient manner of shipping in reference to time in transit, service level, and cost per shipment for the 20 or fewer shipper numbers that it

applies to. In addition, this report will demonstrate the total cost savings if the recommended service levels are adhered to. Interested agencies should contact the DPS contract officer for more information.

25. UPS Rate and Service Guide and UPS Tariff: Services provided by UPS are provided according to this contract and the *UPS Rate and Service Guide and UPS Tariff* that are in effect at the time of shipping. The *UPS Rate and Service Guide and UPS Tariff* may change without notice; provided, however, that, except where specifically provided, nothing in the *UPS Rate and Service Guide and UPS Tariff* shall be deemed to modify or amend any term, condition, or pricing in this contract. No time limit on contested invoices, billing disputes, or lost or damaged packages shall be a part of the contract. The terms and conditions of the Commonwealth agreement will govern in the case of a conflict with the *UPS Rate and Service Guide and UPS Tariff*.
26. PRICING: See “UPS Pricing” and “UPS Accessorial Fees” attachments for specific pricing based on delivery service option, destination, and any accessorial fees. The pricing applies to outgoing and incoming prepaid, freight collect, third party, and return services shipments.

Accessorial fees may adjust each January according to updates to the UPS Accessorial Matrix in the *UPS Rate and Service Guide and UPS Tariff*. The accessorial fee in effect at the time of shipping will apply, with the following discounts (the following discounts have already been incorporated into the fees shown in the “UPS Accessorial Fees” attachment):

Automatic Daily Pickup:	100% discount
Automatic Daily On-Route Pickup:	100% discount
Smart Pickup:	100% discount
Day-Specific Pickup	100% discount
Undeliverable Returns - Domestic	100% discount
Residential Surcharge – Domestic Delivery of Air Services and 3 Day Select:	50% discount
Residential Surcharge – Domestic Delivery of Ground Service:	50% discount
Saturday Delivery – Domestic:	\$5 off
Saturday Pickup – Domestic:	\$5 off
Address Correction	\$6 off

Non-accessorial fee price adjustments under the contract will follow the RENEWAL OF CONTRACT/PRICE ADJUSTMENTS clause in the *Special Terms and Conditions* section below, with the following exception:

“Next Day Air Early AM Service (Daily Rate)” is 25% off the *UPS Rate and Service Guide and UPS Tariff* at time of shipping. The prices shown in the “UPS Pricing” attachment to this contract include the 25% off.

Domestic Service Options

**IMPORTANT: Read below and use the appropriate service option.
It can save your entity money!**

DELIVERIES WITHIN VIRGINIA: The delivery timeframe, not the name of the delivery service option, should guide you when selecting which option to send your package. For example:

UPS Ground guarantees delivery by end of the next business day for shipments within Virginia, and can be half the cost of UPS Next Day Air. If next business day delivery is all you require, use UPS Ground and save approximately 50% or more! UPS Ground deliveries within Virginia are generally made by noon the next business day for state agencies and other public bodies, but are guaranteed by end of day. UPS Next Day Air deliveries depend on the destination. While metro and suburban areas usually receive 10:30 AM delivery, delivery to more rural destinations may be by noon or end of day. Therefore, depending on the destination, UPS Next Day Air may be no quicker than UPS Ground, but could cost twice as much!

UPS Ground - For shipments within Virginia, guaranteed delivery by end of next business day. For outside Virginia, guaranteed day-definite delivery defined by zip code to every address in the U.S. 48 contiguous states and Canada's 10 provinces.

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.

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. For shipments within Virginia, metro and suburban deliveries are usually made by 10:30 a.m., and rural deliveries by noon or end of day.

UPS Next Day Air Saver - Affordable end of next business 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.

Hundredweight Service: Hundredweight Service may be used for shipments of over 200 pounds total shipment weight (per package maximum weight is 150lb). Unlike "Less Than Truckload" (LTL) shipments available from trucking companies, Hundredweight Service shipment prices are based simply on the total shipment weight of what's being shipped. The packages are not palletized, and are sent as individual packages. Time in transit is guaranteed. See chart below for additional information.

	UPS Hundredweight	UPS Ground
Weight and Type	150-1000 pounds, non-palletized	1-150 pounds, single package
Pickup	Daily	Daily
Tracking	By Package or Shipment	By Package or Shipment
Pricing	Based on total shipment weight. Dimensional weight may apply.	Based on rate per each package. Dimensional weight may apply.
Inside Delivery	Included	Included
Liftgate	Not necessary	Not necessary
Delivery Attempts	3 attempts	3 attempts
Guaranteed Service	All shipments are guaranteed, no additional fee	All shipments are guaranteed, no additional fee
Shipment Preparation	Aggregation in UPS WorldShip or "Create Shipment"	Can process via multiple shipping systems

The following incentive is optional, not mandatory, for all state agencies:

Customized UPS Freight Incentive: UPS offers 73% off of list UPS Freight Rates which includes a \$144.50 minimum charge. All account numbers associated with the Commonwealth of Virginia Parent UPS account are eligible for this incentive. Individual users must contact their local UPS Enterprise Account Manager for activation. UPS Freight offers Less Than Truckload service to all 50 states, Guam, Canada, Mexico, and Puerto Rico. Truckload service is available for day definite shipping to the 48 contiguous states, Canada and Mexico. More information on UPS Freight can be

found at <http://ltl.upsfreight.com/>. UPS Freight can be processed on UPS Campus Ship and UPS Worldship systems. (Change 03 dated 5/1/2012)

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 Dave Powell at 804-339-1883 or at dpowell2@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 30 countries. Delivery is guaranteed by 8:30 or 9:00 a.m. For shipments to Canada, UPS guarantees delivery by 8:30 a.m. on the next business day

UPS Worldwide Express - Guaranteed 1-3 business day delivery to more than 50 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 Express Saver - Guaranteed 1-3 business day delivery to more than 215 countries and territories. Delivery is guaranteed by end of business day.

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. UPS Mail Innovations may also provide savings for large mailings through OMNIsort International, Inc. Contact Dave Powell at 804-339-1883 or at dpowell2@ups-mi.com for more information or set up.

OTHER SERVICES:

Return Services: UPS offers multiple returns service options within our portfolio. These return services will benefit your business by improving customer satisfaction, cutting credit cycle times, saving warehouse and transportation costs and reducing liability exposure. UPS return services are available both within Canada and to 110 countries and territories worldwide. Please see the following descriptions of each offering:

UPS Returns[®] on the Web

The UPS Returns on the Web — Ready to Use platform gives you access to a web portal that can be easily integrated into your online store or web site. This “ready-to-go” platform gives you minimal options for change, but is the fastest way to a simplified, powerful returns process. If you need more, we can design and help implement a platform that meets all of your business needs. This flexibility can take your customer service to “best-in-class”.

- Your customer service staff can now process returns faster and e-mail customers a link to your dedicated returns web site.
- Your customers can print their own labels when needed.
- You can implement special routing instructions and route specific returns to different locations.
- You can even implement any special business rules for customer service, like restricted shipping options.
- You can customize e-mail with instructions for processing returned shipments.

UPS Returns[®] Plus

UPS Returns Plus provides convenient pickup options for the prompt return of UPS-compatible packages. You can choose to have UPS make one pickup attempt with 1 UPS Pickup Attempt service or multiple pickup attempts with 3 UPS Pickup Attempts. For premium customer service, provide these options for your customers.

UPS Returns[®]

UPS Returns allows you several options of generating a return label which you can include in either the original shipment or in a separate correspondence to your customer.

- UPS Print Return Label: Enables you to generate return labels
- UPS Electronic Return Label: Allows you to generate and email a return label to your customer.
- UPS Print & Mail Return Label: Allows you to have UPS generate and mail a return label to your customer
- Authorized Returns Service (available on a contractual basis): Provides you with preprinted labels for distribution

UPS Returns[®] Flexible Access

- A new level of convenience and flexibility — your customers can tender their packages at millions of UPS and U.S. Postal Service locations
- Our alliance with the U.S. Postal Service gives customers even more options:
 - They can drop off at any UPS location or hand the package to a driver
 - They can drop off the package at their local Post Office™, personal mailbox or request a free pickup online from the U.S. Postal Service

CONVENIENT AND FLEXIBLE DROP OFF OPTIONS

The UPS Store[®]

UPS Driver

UPS Drop Box

USPS Collection Box

UPS Customer Center

Personal Mailbox

- A single label enables both UPS and the U.S. Postal Service to accept the return package
- Label can be included within the original shipment, created electronically online or e-mailed to the customer
- Detailed tracking and visibility for both you and your customer
- Delivery to the original shipper by the UPS driver with consistent UPS Ground transit times for better inbound planning

Shipping charges based on actual weight for accurate planning and pass-along to your end customer

Returns Technology

UPS Developer Kit Shipping API and UPS Returns on the Web automate the returns process without changing the way you run your business. Hosted by UPS, the returns process can be completed online by the consumer including the delivery of a UPS return label using a Web browser. Companies can also link their back-end databases to the returns process to maximize the use of the return product information, thus reducing costs while improving customer service.

CONTRACTOR INFORMATION

United Parcel Service (UPS)
9601 Coach Rd.
Richmond, VA 23237

eVA Vendor Number: VS0000085290
DUNS Number: 058053336

UPS Strategic Support:

- **Telephone:** 1 800-877-1497 (see below)
- **Email:** virginia@ups.com (see below)
- When contacting UPS, use your **UPS account number** for identification. This will help the UPS Strategic Support team align you with the correct rates and support structure for this contract. If you do not remember your account number, or you need to establish an account number, then use the account **W2810Y** for identification.

If UPS Strategic Support is unable to resolve your concern, contact Matt Manion, Statewide Services Contract Officer, DGS/DPS at 804-786-2397 or matt.manion@dgs.virginia.gov.

UPS Strategic Account Manager:

- Cassie Dyer
- Phone No. 404-519-9682 (Cell)
 - Email: cassiedyer@ups.com

Other Contacts:

WorldShip Technical Support (888) 553-1118

CampusShip Technical Support (800) 513-1819

Internet Shipping (877) 289-6418

SPECIAL TERMS AND CONDITIONS

1. **ADVERTISING** In the event a contract is awarded for supplies, equipment, or services resulting from this proposal, no indication of such sales or services to the Commonwealth will be used in product literature or advertising. The contractor shall not state in any of its advertising or product literature that the Commonwealth has purchased or uses any of its products or services, and the contractor shall not include the Commonwealth in any client list in advertising and promotional materials.
2. **AUDIT**: The contractor shall retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The agency, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period.
3. **ADDITIONAL USERS**: This procurement is being conducted on behalf of state agencies, institutions and other public bodies who may be added or deleted at anytime during the period of the contract. The addition or deletion of authorized users not specifically named in the solicitation shall be made only by written contract modification issued by this agency or institution and upon mutual agreement of the contractor. Such modification shall name the specific agency added or deleted and the effective date. The contractor shall not honor an order citing the resulting contract unless the ordering entity has been added by written contract modification.
4. **PROPOSAL ACCEPTANCE PERIOD**: Any proposal in response to this solicitation shall be valid for ninety (90) days. At the end of the ninety (90) days the proposal may be withdrawn at the written request of the offeror. If the proposal is not withdrawn at that time it remains in effect until an award is made or the solicitation is canceled.
5. **CANCELLATION OF CONTRACT**: The purchasing agency reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days

written notice to the contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 60 days written notice to the other party. Any contract cancellation notice shall not relieve the contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

6. **CONTRACTOR LICENSE REQUIREMENT:** By my signature on this solicitation, I certify that this firm is properly licensed for providing the goods/services specified.
7. **PROPOSAL SUBMISSION FOR SEALED "REQUEST FOR PROPOSAL" (RFP):** Only paper submissions will be accepted for this solicitation. Read this entire term and condition prior to submitting your proposal.

Offeror must print and sign the "Solicitation Paper Response" document for this Request for Proposal (RFP) and submit it with their hardcopy sealed proposal. The "Solicitation Paper Response" document can be printed from the Division of Purchasing and Supply eVA web site at www.eva.virginia.gov. To print the document, go to the eVA website and click on "Solicitations and Awards (VBO)". This will take a minute to load...please be patient. In the Keyword Search field, type in the word "express" (no quotes) and click the "Go" button. Look for RFP number 113 and click on the "Details" button under the RFP title and number. To view the "Solicitation Paper Response" document, click "Paper Response" under the "Response Options" box in the upper right side of the screen. To print the "Solicitation Paper Response" document, click the "Print" link. Then click the "Return to Solicitation" link. Look for attachments to the RFP under the "Solicitation Attachments" heading. Open and print each attachment.

The offeror shall return their signed proposal in a sealed envelope. The envelope should be addressed as follows:

For proposals sent via an express delivery service, send the proposal to the Commonwealth of Virginia, Department of General Services, Division of Purchases and Supply, 6th Floor Receptionist/Bid Receiving, 1111 East Broad Street, Richmond, VA 23219.

For hand-delivered proposals, deliver the proposal to the Commonwealth of Virginia, Department of General Services, Division of Purchases and Supply, 6th Floor Receptionist/Bid Receiving, 1111 East Broad Street, Richmond, VA 23219.

For proposals sent via the U.S. Postal Service, send the proposal to the Commonwealth of Virginia, Department of General Services, Division of Purchases and Supply, P.O. Box 1199, Richmond, VA 23218-1199. If mailed via the U.S. Postal Service, the offeror must allow sufficient time for the proposal to make its way through the Commonwealth's Mail Security Processing System prior to delivery to Bid Receiving.

For all proposals, make sure the Request for Proposal (RFP) name and number are clearly visible on the outside of the envelope. The envelope should also provide the following information: Name of Offeror, Street or Box Number, City, State, Zip Code; and Solicitation Close Date and Time, Solicitation No., Solicitation Description, and Contract/Purchase Officer. If a solicitation response is not contained in an envelope as described above the offeror takes the risk that the envelope may be inadvertently opened and the information compromised which may cause the proposal to be disqualified. No other un-requested correspondence or other proposals should be placed in the envelope. The Commonwealth is not responsible if the solicitation response does not reach Bid Receiving by the appointed

day and time.

Important: Amendments to the RFP may be made by the Commonwealth, and offeror acknowledgments of amendments must be received at Bid Receiving either prior to the proposal due date and hour or attached to your proposal. Before submitting your proposal, and prior to the proposal due date and time, check the eVA website to confirm if any amendments have been issued. If an amendment has been made, re-print the "Solicitation Paper Response" document, acknowledge the amendment on the appropriate line of the "Reminders" section, and send in the revised "Solicitation Paper Response" document by the proposal due date and time.

8. **OPTIONAL PREPROPOSAL CONFERENCE:** An optional preproposal conference will be held at 10:00 AM January 5, 2011 at the Patrick Henry Building, 1111 E. Broad Street, 1st Floor Bid Tab area, Richmond, VA 23219. The purpose of this conference is to allow potential offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation.

While attendance at this conference will not be a prerequisite to submitting a proposal, offerors who intend to submit a proposal are encouraged to attend. Bring a copy of the solicitation with you. Any changes resulting from this conference will be issued in a written addendum to the solicitation and posted at www.eva.virginia.gov.

9. **PRIME CONTRACTOR RESPONSIBILITIES:** The contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this contract shall be responsible to the prime contractor. The contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.
10. **QUANTITIES:** Quantities set forth in this solicitation are estimates only, and the contractor shall supply at bid prices actual quantities as ordered, regardless of whether such total quantities are more or less than those shown.
11. **RENEWAL OF CONTRACT/PRICE ADJUSTMENTS:** The contract that results from this solicitation will have an initial two (2) year contract period. The contract may be renewed by the Commonwealth for up to three (3) one-year periods upon mutual agreement of the parties.

No price increases will be authorized for 365 calendar days after the effective date of the contract, with the exception of accessorial fess and Next Day Air Early AM Service (Daily Rate), per pages 8 and 9 of this contract. Price escalation may be permitted at the end of 365 calendar days and each 365 calendar days thereafter and only where verified to the satisfaction of the purchasing office. Written notice of the Commonwealth's intention to renew shall be given approximately 90 days prior to the expiration date of each contract period.

Price adjustments may be permitted for changes in the contractor's cost of providing goods and services under this contract. The "Transportation", "Services", "All Items", and other relevant categories of the CPI-U, U.S. City Average section of the Consumer Price Index of the U.S. Bureau of Labor Statistics, will be used as guides to evaluate requested price changes, as will other indices including Producer Price Index and U.S. Department of Energy fuel statistics. Contractor also agrees to adjust pricing accordingly should legitimate decreases in operating expenses occur during the term of the contract.

Contractor should give not less than 30 days advance notice of any price increase request, with documentation, to the purchasing office.

The purchasing office will notify the using agencies and contractor in writing of the effective date of any increase which it approves. However, the contractor shall fill all orders received prior to the effective date of the price adjustment at the old contract prices. The contractor is further advised that decreases which affect the cost of goods or services are required to be communicated immediately to the purchasing office.

12. **SUBCONTRACTS**: No portion of the work shall be subcontracted without prior written consent of the purchasing agency. In the event that the contractor desires to subcontract some part of the work specified herein, the contractor shall furnish the purchasing agency the names, qualifications and experience of their proposed subcontractors. The contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the contract.
13. **WARRANTY (COMMERCIAL)**: The contractor agrees that the goods or services furnished under any award resulting from this solicitation shall be covered by the most favorable commercial warranties the contractor gives any customer for such goods or services and that the rights and remedies provided therein are in addition to and do not limit those available to the Commonwealth by any other clause of this solicitation. A copy of this warranty should be furnished with the bid/proposal.
14. **STATE CORPORATION COMMISSION IDENTIFICATION NUMBER**: Pursuant to Code of Virginia, §2.2-4311.2 subsection B, a bidder or offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 is required to include in its bid or proposal the identification number issued to it by the State Corporation Commission (SCC). Any bidder or offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law is required to include in its bid or proposal a statement describing why the bidder or offeror is not required to be so authorized. Indicate the above information on the SCC Form provided. Contractor agrees that the process by which compliance with Titles 13.1 and 50 is checked during the solicitation stage (including without limitation the SCC Form provided) is streamlined and not definitive, and the Commonwealth's use and acceptance of such form, or its acceptance of Contractor's statement describing why the bidder or offeror was not legally required to be authorized to transact business in the Commonwealth, shall not be conclusive of the issue and shall not be relied upon by the Contractor as demonstrating compliance.
15. **FINANCIAL WARRANTY**: Contractor shall ensure that the prices, discounts, incentives, and other financial terms (collectively, the "financial deal") applicable to purchases under this Contract is always at least as favorable to the purchaser as the financial deal that the Contractor or its affiliates make available to any public body in Virginia for the same good(s)/service(s) outside this Contract. Throughout the term of this Contract, if Contractor (or any affiliate) makes a better financial deal available to a public body in Virginia for any good(s)/service(s) available under this Contract, Contractor shall immediately notify DGS of the details and, at DGS's option, sign an amendment to this Contract, so that an equivalent financial deal for the affected good(s)/service(s) is also available as an option under this Contract. Contractor may request exemption if the better financial deal was for a spot purchase, and DGS shall grant such request if DGS in good faith finds that the spot purchase involved special circumstances affecting cost that would make it unfair to apply an equivalent financial deal outside of that spot purchase. Upon DGS's request (and annually

on August 1), Contractor shall submit to DGS an affidavit certifying full compliance with this Section. The Contractor (and any affiliate) shall waive any contractual or other right that inhibits any public body in Virginia from disclosing to DGS or others the financial terms made available to the public body, and upon request from DGS, Contractor shall ensure that a signed confirmation of the waiver is provided to the public body and DGS. As used in this Section, an affiliate is any entity that controls, is controlled by, or is under common control with, the Contractor.

16. **Mandatory Acceptance of Small Purchase Charge Card:**

Purchasing charge cards offer State agencies and Institutions the opportunity to streamline their procedures for procuring and paying for small dollar goods and services. Vendors responding to this solicitation should note that acceptance of payment by purchase card is mandatory (unless waived by DPS) within 90 days of contract award. For current contracts where acceptance of the purchasing card is not in effect, Contractors must (unless waived by DPS) accept purchase card payments within 90 days of contract renewal.

Payment for orders issued against the contract(s) resulting from this solicitation must allow for the Purchase Order Number to be passed at the time of charge so that the Purchase Order Number is received by the card platform and passed to the Card provider. This can be accomplished by vendors establishing their card account at Level 2, which is mandatory or Level 3, which is optional. Information on the various levels for the Bank of America (BOA) Visa Purchasing Card is indicated below.

Charge Card Levels:

The amount of data passed for each charge card payment depends on the level at which the charge card is established. The levels are delineated below and the preferred level by the Commonwealth is level 2.

Level 1 vendors provide basic credit card purchase information, including but not limited to the data listed below. By passing "Basic Data", the vendor has a standard interchange cost.

- Supplier Name
- Merchant Category Code
- Date
- Total Purchase Amount

Level 2 vendors provide additional information to the Level 1 elements, including, but not limited to the data listed below. By passing level 2 detail, the vendor will receive lower interchange costs. Level 2 is mandatory for any vendors who do business with the Commonwealth of Virginia and accept Bank of America (BOA) Visa Purchasing Card.

- Customer Code (PCO Number from eVA)
- Vendor Tax ID

Level 3 vendors provide line item detail, in addition to the Level 1 and Level 2 elements, including, but not limited to the data listed below. By passing Level 3 (which is optional) data which is considered Superior data, the vendor will receive the lowest interchange costs.

- Item Description
- Item Quantity

- Item Unit of Measure
- Product Code
- Freight Amount
- Extended line Item Amount

17. **INSURANCE**: By signing and submitting a proposal under this solicitation, the offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the Code of Virginia. The offeror further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

1. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract.

2. Employer's Liability - \$100,000.

3. Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.

4. Automobile Liability - \$1,000,000 per occurrence. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.

5. Cargo Insurance – a minimum of \$50,000 of coverage

Liability for loss, damage, or theft will be consistent with UPS Tariff in effect at the time of shipping.

Whenever property is damaged or lost by UPS in the course of transportation, UPS' maximum liability per domestic package or international shipment shall not exceed the lesser of:

–\$100, when no value in excess of \$100 is declared on the Source Document or UPS Automated Shipping System used (or when a value in excess of \$100 is declared, but the applicable declared value charges are not paid);

- the declared value on the Source Document or UPS Automated Shipping System used when a value in excess of \$100 is declared and the applicable declared value charges paid;
- the purchase price paid by the consignee (where the shipped property has been sold to the consignee);
- the actual cost of the damaged or lost property;
- the replacement cost of the property at the time and place of loss or damage; or
- the cost of repairing the damaged property.

Further clarification can be found in the UPS Rate and Service Guide and Tariff/Terms and conditions of service in effect at the time of shipping.

GENERAL TERMS AND CONDITIONS

A. VENDORS MANUAL: This solicitation is subject to the provisions of the Commonwealth of Virginia Vendors Manual and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the Vendors Manual. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.eva.virginia.gov under "Vendors Manual" on the "Vendor" tab.

B. APP. LAWS AND COURTS

APPLICABLE LAWS AND COURTS: This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (Code of Virginia, § 2.2-4366). ADR procedures are described in Chapter 9 of the Vendors Manual. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.

C. ANTI-DISCRIMINATION:

ANTI-DISCRIMINATION: By submitting their (bids/proposals), (bidders/offerors) certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the Virginia Public Procurement Act (VPPA). If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (Code of Virginia, § 2.2-4343.1E). In every contract over \$10,000 the provisions in 1. and 2. below apply: 1. During the performance of this contract, the contractor agrees as follows: a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer. c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements. 2. The contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

D. ETHICS IN PUBLIC CONTRACTING

ETHICS IN PUBLIC CONTRACTING: By submitting their (bids/proposals), (bidders/offerors) certify that their (bids/proposals) are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other (bidder/offeror), supplier, manufacturer or subcontractor in connection with their (bid/proposal), and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

E. IMMIGRATION REFORM

IMMIGRATION REFORM AND CONTROL ACT OF 1986: By entering into a written contract with the Commonwealth of

Virginia, the Contractor certifies that the Contractor does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

F. DEBARMENT STATUS

DEBARMENT STATUS: By submitting their (bids/proposals), (bidders/offerors) certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

G. ANTITRUST

ANTITRUST: By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the

Commonwealth of Virginia under said contract.

H. MANDATORY USE OF STATE FORM

MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS FOR RFP's: Failure to submit a proposal on the official state form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

I. CLARIFICATION OF TERMS

CLARIFICATION OF TERMS: If any prospective (bidder/offeror) has questions about the specifications or other solicitation documents, the prospective (bidder/offeror) should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.

K. PRECEDENCE OF TERMS

PRECEDENCE OF TERMS: The following General Terms and Conditions VENDORS MANUAL, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

L. QUALIFICATIONS

QUALIFICATIONS OF (BIDDERS/OFFERORS): The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the (bidder/offeror) to perform the services/furnish the goods and the (bidder/offeror) shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect (bidder's/offeror's) physical facilities prior to award to satisfy questions regarding the (bidder's/offeror's) capabilities. The Commonwealth further reserves the right to reject any (bid/proposal) if the evidence submitted by, or investigations of, such (bidder/offeror) fails to satisfy the Commonwealth that such (bidder/offeror) is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

M. TESTING AND INSPECTION

TESTING AND INSPECTION: The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

N. ASSIGNMENT OF CONTRACT

ASSIGNMENT OF CONTRACT: A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth.

O. CHANGES TO THE CONTRACT

Changes can be made to the contract in any of the following ways: 1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract. 2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods: a. By mutual agreement between the parties in writing; or b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia Vendors Manual. Neither the existence of a claim nor a dispute resolution process, litigation or

any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.

P. DEFAULT

DEFAULT: In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.

Q. TAXES

TAXES: Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

R. USE OF BRAND NAMES

USE OF BRAND NAMES: Unless otherwise provided in this solicitation, the name of a certain brand, make or manufacturer does not restrict (bidders/offerors) to the specific brand, make or manufacturer named, but conveys the general style, type, character, and quality of the article desired. Any article which the public body, in its sole discretion, determines to be the equivalent of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted. The (bidder/offeror) is responsible to clearly and specifically identify the product being offered and to provide sufficient descriptive literature, catalog cuts and technical detail to enable the Commonwealth to determine if the product offered meets the requirements of the solicitation. This is required even if offering the exact brand, make or manufacturer specified. Normally in competitive sealed bidding only the information furnished with the bid will be considered in the evaluation. Failure to furnish adequate data for evaluation purposes may result in declaring a bid nonresponsive. Unless the (bidder/offeror) clearly indicates in its (bid/proposal) that the product offered is an equivalent product, such (bid/proposal) will be considered to offer the brand name product referenced in the solicitation.

S. TRANSPORTATION AND PACKAGING

TRANSPORTATION AND PACKAGING: By submitting their (bids/proposals), all (bidders/offerors) certify and warrant that the price offered for FOB destination includes only the actual freight rate costs at the lowest and best rate and is based upon the actual weight of the goods to be shipped. Except as otherwise specified herein, standard commercial packaging, packing and shipping containers shall be used. All shipping containers shall be legibly marked or labeled on the outside with purchase order number, commodity description, and quantity.

T. INSURANCE (1 of 3)

INSURANCE (part 1 of 3): By signing and submitting a bid or proposal under this solicitation, the bidder or offeror certifies that if

awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the Code of Virginia. The bidder or offeror further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission. (continued in part 2)

T. INSURANCE (2 of 3)

INSURANCE (part 2 of 3) MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS: 1) Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract. 2) Employer's Liability - \$100,000. 3) Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy 4) Automobile Liability - \$1,000,000 per occurrence. (Only used if motor vehicle is to be used in the contract.). (continued in part 3)

T. INSURANCE (3 of 3)

INSURANCE (part 3 of 3): NOTE: In addition, various Professional Liability/Errors and Omissions coverage are required when soliciting those services as follows: Profession/Service /Limits, Accounting /\$1,000,000 per occurrence, \$3,000,000 aggregate Architecture/\$2,000,000 per occurrence, \$6,000,000 aggregate, Asbestos Design, Inspection or Abatement Contractors/\$1,000,000 per occurrence, \$3,000,000 aggregate, Health Care Practitioner (to include Dentists, Licensed Dental, Hygienists, Optometrists, Registered or Licensed, Practical Nurses, Pharmacists, Physicians, Podiatrists, Chiropractors, Physical Therapists, Physical Therapist Assistants, Clinical Psychologists, Clinical Social Workers, Professional Counselors, Hospitals, or Health Maintenance Organizations.) \$1,750,000 per occurrence, \$3,000,000 aggregate, (Limits increase each July 1 through fiscal year 2008, as follows: July 1, 2005 - \$1,800,000, July 1, 2006 - \$1,850,000, July 1, 2007 - \$1,925,000, July 1, 2008 - \$2,000,000. This complies with §8.01-581.15 of the Code of Virginia. Insurance/Risk Management /\$1,000,000 per occurrence, \$3,000,000 aggregate, Landscape/Architecture/\$1,000,000 per occurrence, \$1,000,000 aggregate, Legal/\$1,000,000 per occurrence, \$5,000,000 aggregate. Professional Engineer/\$2,000,000 per occurrence, \$6,000,000 aggregate, Surveying/ \$1,000,000 per occurrence, \$1,000,000 aggregate

U. ANNOUNCEMENT OF AWARD

ANNOUNCEMENT OF AWARD: Upon the award or the announcement of the decision to award a contract over \$50,000, as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA website (www.eva.virginia.gov) for a minimum of 10 days.

V. DRUG-FREE WORKPLACE

DRUG-FREE WORKPLACE: During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor. For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

W. NONDISCRIMINATION

NONDISCRIMINATION OF CONTRACTORS: A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

X. eVA REGISTRATION

eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION: The eVA Internet electronic procurement solution, website portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet eprocurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service. All bidders or offerors must register in eVA and pay the Vendor Transaction Fees specified below; failure to register will result in the bid/proposal being rejected. Effective July 1, 2011, vendor registration and registration-renewal fees have been discontinued. Registration options are as follows: a. eVA Basic Vendor Registration Service: eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, electronic bidding, and the ability to research historical procurement data available in the eVA purchase transaction data warehouse. b. eVA Premium Vendor Registration Service: eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments. Vendor transaction fees are determined by the date the original purchase order is issued and are as follows: a. For orders issued prior to August 16, 2006, the Vendor Transaction Fee is 1%, capped at a maximum of \$500 per order. b. For orders issued August 16, 2006 thru June 30, 2011, the Vendor Transaction Fee is: (i) DMBE-certified Small Businesses: 1%, capped at \$500 per order. (ii) Businesses that are not DMBE-certified Small Businesses: 1%, capped at \$1,500 per order. c. For orders issued July 1, 2011 thru June 30, 2012, the Vendor Transaction Fee is: (i) DMBE-certified Small Businesses: 0.75%, capped at \$500 per order. (ii) Businesses that are not DMBE-certified Small Businesses: 0.75%, capped at \$1,500 per order. d. For orders issued July 1, 2012 and after, the Vendor Transaction Fee is: (i) DMBE-certified Small Businesses: 1%, capped at \$500 per order. (ii) Businesses that are not DMBE-certified Small Businesses: 1%, capped at \$1,500 per order. The specified vendor transaction fee will be invoiced, by the Commonwealth of Virginia Department of General Services, approximately 30 days after the corresponding purchase order is issued and payable 30 days after the invoice date. Any adjustments (increases/decreases) will be handled through purchase order changes.

Y. AVAILABILITY OF FUNDS

It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

Z. SET ASIDES

This solicitation is set-aside for DMBE-certified small business participation only when designated "SET-ASIDE FOR SMALL BUSINESSES" in the solicitation. DMBE-certified small businesses are those businesses that hold current small business certification from the Virginia Department of Minority Business Enterprise. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received the DMBE small business certification. For purposes of award, bidders/offerors shall be deemed small businesses if and only if they are certified as such by DMBE on the due date for receipt of bids/proposals.

J. PAYMENT (1 of 4)

PAYMENT (part 1 of 4): To Prime Contractor: a.) Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations). b.) Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however. c.) All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed. d.) The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act. e.) Unreasonable Charges. Under certain emergency procurements and for most

time and material purchases, final job costs cannot be accurately determined at the time orders are placed.(Continued on part 2)

J. PAYMENT (2 of 4)

PAYMENT (part 2 of 4): In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (Code of Virginia, § 2.2-4363). 2. To Subcontractors: a.) A contractor awarded a contract under this solicitation is hereby obligated: (1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or (2) To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason. (continued on part 3)

J. PAYMENT (3 of 4)

PAYMENT (part 3 of 4): b.) The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth. 3.) Each prime contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.

J. PAYMENT (4 of 4)

PAYMENT (part 4 of 4): The Commonwealth of Virginia encourages contractors and subcontractors to accept electronic and credit card payments.

AA. BID PRICE CURRENCY:

BID PRICE CURRENCY: Unless stated otherwise in the solicitation, bidders/offerors shall state bid/offer prices in US dollars.

BB. BUSINESS AUTHORIZATION

AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH: A contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Any business entity described above that enters into a contract with a public body pursuant to the Virginia Public Procurement Act shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. A public body may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.