

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

April 2, 2010

**CHANGE NOTICE NO. 2
 TO
 CONTRACT NO. 071B9200073
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (877) 240-7702 x5177
United Parcel Service 2960 Lucerne Drive, Suite 200 Grand Rapids, MI 49546 bcarmack@ups.com		Brenda Carmack
		BUYER/CA (517) 373-7396 Andy Ghosh, CPPB
Contract Compliance Inspector: Steven Cheal (517) 322-6956		
Overnight Package Delivery Services – Department of Management and Budget - Statewide		
CONTRACT PERIOD: From: January 1, 2009		To: December 31, 2011
TERMS	N/A	SHIPMENT
		N/A
F.O.B.	N/A	SHIPPED FROM
		N/A
MINIMUM DELIVERY REQUIREMENTS		
N/A		

NATURE OF CHANGE(S);

Effective March 31, 2010 Lansing Community College is hereby ADDED to this Contract under the terms of article 2.206 MiDEAL PROGRAM.

Pick Up and Delivery address is:	Lansing Community College 411 North Grand Avenue Lansing, MI 48933 Contact: Cynthia L. Olivarez Rooker, MQCS Director, Materials Management Administrative Services Division Lansing Community College – MC7133 PO Box 40010 Lansing, MI 48901-7210
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All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per Lansing Community College request, DTMB Mail and Delivery agreement, and DTMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$770,628.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

January 15, 2009

CHANGE NOTICE NO. 1
 TO
 CONTRACT NO. 071B9200073
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (877) 240-7702 x5177
United Parcel Service 2960 Lucerne Drive, Suite 200 Grand Rapids, MI 49546 bcarmack@ups.com		Brenda Carmack
		(036)
		BUYER/CA (517) 373-7396 Andy Ghosh, CPPB
Contract Compliance Inspector: Steven Cheal (517) 322-6956		
Overnight Package Delivery Services – Department of Management and Budget - Statewide		
CONTRACT PERIOD: From: January 1, 2009		To: December 31, 2011
TERMS	N/A	SHIPMENT
		N/A
F.O.B.	N/A	SHIPPED FROM
		N/A
MINIMUM DELIVERY REQUIREMENTS		
N/A		

NATURE OF CHANGE(S);

Effective immediately the Contractor's address is changed to Mail Code 036:

United Parcel Service
2960 Lucerne Drive, Suite 200
Grand Rapids, MI 49546

AUTHORITY/REASON:

Per Contractor's request and DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT: \$770,628.00

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

December 19, 2008

**NOTICE
 TO
 CONTRACT NO. 071B9200073
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR United Parcel Service 241 East Saginaw Street East Lansing, MI 48823 <div style="text-align: right;">bcarmack@ups.com</div>	TELEPHONE (877) 240-7702 x5177 Brenda Carmack
	BUYER/CA (517) 373-7396 Andy Ghosh, CPPB
Contract Compliance Inspector: Steven Cheal (517) 322-6956 Overnight Package Delivery Services – Department of Management and Budget - Statewide	
CONTRACT PERIOD: From: January 1, 2009 To: December 31, 2011	
TERMS <div style="text-align: center;">N/A</div>	SHIPMENT <div style="text-align: center;">N/A</div>
F.O.B. <div style="text-align: center;">N/A</div>	SHIPPED FROM <div style="text-align: center;">N/A</div>
MINIMUM DELIVERY REQUIREMENTS <div style="text-align: center;">N/A</div>	

The terms and conditions of this Contract are those of RFP #07118200079, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.

Current Authorized Spend Limit: \$770,628.00

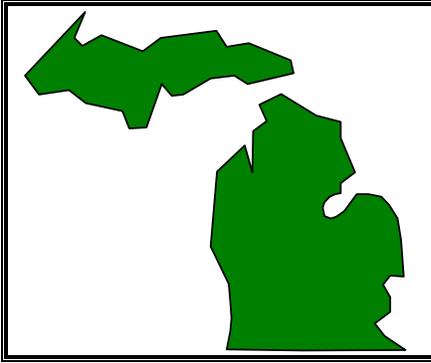
**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

**CONTRACT NO. 071B9200073
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR United Parcel Service 241 East Saginaw Street East Lansing, MI 48823 <div style="text-align: right;">bcarmack@ups.com</div>	TELEPHONE (877) 240-7702 x5177 Brenda Carmack BUYER/CA (517) 373-7396 Andy Ghosh, CPPB
Contract Compliance Inspector: Steven Cheal (517) 322-6956 Overnight Package Delivery Services – Department of Management and Budget - Statewide	
CONTRACT PERIOD: From: January 1, 2009 To: December 31, 2011	
TERMS <div style="text-align: right;">N/A</div>	SHIPMENT <div style="text-align: right;">N/A</div>
F.O.B. <div style="text-align: right;">N/A</div>	SHIPPED FROM <div style="text-align: right;">N/A</div>
MINIMUM DELIVERY REQUIREMENTS <div style="text-align: center;">N/A</div>	
MISCELLANEOUS INFORMATION: <p>The terms and conditions of this Contract are those of RFP #07118200079, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.</p> <p>Current Authorized Spend Limit: \$770,628.00</p>	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the RFP #07118200079. Orders for delivery may be issued directly by the State Departments through the issuance of a Purchase Order Form.

FOR THE CONTRACTOR: <div style="text-align: center;">United Parcel Service</div> <hr/> <div style="text-align: center;">Firm Name</div> <hr/> <div style="text-align: center;">Authorized Agent Signature</div> <hr/> <div style="text-align: center;">Authorized Agent (Print or Type)</div> <hr/>	FOR THE STATE: <hr/> <div style="text-align: center;">Signature</div> <div style="text-align: center;">Melissa Castro, CPPB, Buyer Manager</div> <hr/> <div style="text-align: center;">Name/Title</div> <div style="text-align: center;">Services Division, Purchasing Operations</div> <hr/> <div style="text-align: center;">Division</div> <hr/>
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**STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations**

**CONTRACT NO. 071B7200073
Overnight Package Delivery Services
Department of Management & Budget - Statewide**

**Buyer Name: Andy Ghosh
Telephone Number: 517-373-7396
E-Mail: ghosha@michigan.gov**



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- Attachment # 2 – Accessorial Charges



Article1 – Statement of Work (SOW)

1.0 Introduction

1.001 DEFINING DOCUMENT

This is a Contract for Overnight Package Delivery Services. This document contains or incorporates defined requirements, the specifications and scope of work, and all contractual terms and conditions.

1.002 PROJECT TITLE AND DESCRIPTION

The purpose of this Contract is to provide Overnight Package Delivery Services for packages weighing one pound or more (henceforth known as Overnight Package Services) to State agencies located all over the state.

BACKOVERNIGHT INFORMATION:

The State of Michigan has used Contractor to provide Overnight package delivery services for State Agencies for many years. These services have proven to be an efficient and effective way to meet the needs of State Agencies. The Department of Management and Budget's Mail and Delivery Services Division acts as the day-to-day point of contact for the current contract.

Some of the larger accounts have been provided hardware and software by the current contractor (United Parcel Services) so that the packages can be readied for pickup by the contractor. Most of the accounts use an online system and / or contractor-provided drop boxes to process their packages. The current Overnight Services contract contains a 'Delivery Guarantee' clause which requires the contractor to track each Overnight package and prove that it was delivered by its guaranteed date/time.

For the State's fiscal year 2007 (October 1, 2006 through September 30, 2007), both Ground and Overnight Package contracts had 674 accounts, made up of 674 unique locations throughout the State. However, during that period, there were 25,176 packages were sent from the remaining 310 Overnight Package Services locations.

OVERVIEW:

Overnight Package Services

This contract will be for Overnight Package Services for agencies of the executive branch within the State of Michigan. This contract does not include universities, the judiciary, the legislature, nor is it for personal use by State employees. If a prospective recipient of a Overnight package requires the State user to ship a package via a designated contractor other than the contract contractor, the State agency will comply only if: a) shipment via the designated contractor is required by statute, and b) the recipient is paying for the shipment. Thus, the exclusive use of the Contract will be enforced unless the State is not paying for the shipment.

The contracted contractor will be responsible for establishing accounts with every unit of State Government that desires one. The State has attached the most recent listing of the State's accounts, including physical location (See ATTACHMENT #2 of RFP #07118200079). The listing shall not limit participation of additional agencies and locations within the State of Michigan as the need may develop during the contact period. In any event, the same prices, terms and conditions that apply to the State's initial accounts will also apply to accounts added after the execution of the contract.

TASKS:

Overnight Package Services

The intent of this Contract is to make the process of Overnight package pick-up as convenient as possible. This includes the delivery of users' Overnight packages within one to five business days or within the contracted contractor's published time frames for each of its different levels of service.



The contracted contractor is required to collect Overnight packages from all State office locations before the daily close of business for that office (Monday through Friday, except State holidays).

The contracted contractor must provide:

- Preprinted shipping bill forms that, at a minimum, contain: the shipper's name, address and the agency-specific account number and/or,
- An on-line shipping form that can be accessed through the Internet. This form must facilitate the entry of all information necessary to successfully ship and account for the Overnight package as defined by the contracted contractor and the State.

List any equipment (hardware and software) that the State will need in order to process Overnight packages (ex: a personal computer that is connected to the Internet, a printer that is connected to the personal computer, etc.). All these equipments will be provided by the contractor at no cost.

The contracted contractor must provide a toll-free telephone number at which it can be contacted by State agencies for Overnight package pick-ups. State employees located in areas in which volume is not sufficient to justify a daily pick-up will telephone contracted contractor's designated toll-free telephone number and request pick-up during regular State work hours. The contracted contractor is required to provide to the Contract Compliance Inspector, a list of the contracted contractor's local key contacts for billing and delivery information.

The contracted contractor must make available: on-line mail-tracking information no later than two (2) hours after the Overnight package is picked up by the contracted contractor. The information must contain but is not limited to: acknowledgment of pick-up, status if delivery is detained, delivery tracking verification that includes the location of the Overnight package, its anticipated delivery date and acknowledgement of final delivery. Contracted contractor must also provide the name and phone number of a contact person that's available 24 hours/7 days a week in case of tracking failure.

The contracted contractor must submit a work plan that will detail the methods, time frame, training and equipment needs required for the implementation of the contract.

Contractor Response:

Response to Clarification Request 1 & 2

States Request #1:

1. Section 4.305 - Service Capabilities refers the bidder to several sections of the RFP for which responses from the bidder were required. One of these sections is: 1.002 Project Title and Description: Tasks – Overnight Package Services. One requirement was that the bidder was to: "List any equipment (hardware and software) the State will need in order to process Overnight packages." In bidder's response (pages 70, 71), under the subheading "Get the Technology You Need", it is stated: "The UPS Customer Technology Program - with affordably priced, full-feature bundles." It was also stated, "Subsidy will be offered to the State of Michigan based on the commitment level shipped via UPS." In its response, the Bidder also states on page 80, "UPS CTP" that "UPS previously allocated "The requirement states that the bidder must list any equipment the State must acquire and any other costs the State must incur in order to implement the specific Overnight Services products and services being offered. The State provided shipping volumes for its last fiscal year. Since these volumes are not a guarantee of future volumes, the Bidder must decide the cost for equipment, if any, that should be considered by the State when evaluating your bid. (See **1.002 Project Title and Description: Tasks - Overnight Package pgs 2-3.**)

**UPS Response #1:**

UPS will meet State of Michigan's technology needs by providing the necessary equipment for use of shipping at no additional cost with the UPS Customer Technology Program (CTP). Studies conducted by the UPS CTP program estimate that UPS will invest over \$26,000 in technology under this contract with the State.

States Request #2:

2. Section 4.305 - Service Capabilities refers the bidder to several sections of the RFP for which responses from the bidder were required. One of these sections is: 1.002 Project Title and Description: Tasks - Overnight Package Services. One requirement was that: "The contracted vendor must make package tracking available through an on-line tracking system no later than two (2) hours after the package picked up by the contracted vendor." While the Bidder lists some features of its "Package Tracking" product on page 72 of its response, it does not state whether it can comply with the requirement stated above. Please describe your ability to meet this requirement. Include in your explanation any costs associated with tracking. (Ref. **1.002 Project Title and Description: Tasks - Overnight Package Services pg 3**)

UPS Response #2:

UPS currently provides this service to the State. This information is available on-demand at UPS.COM or UPS Quantum View Manage at no additional cost to the State.

Start of Bidders Response:

UPS CampusShip™, a Web-based, full-featured shipping solution is designed for companies whose employees handle their own shipments. Yet, with just a few steps, it allows custom setup for optimizing shipping throughout the organization.

Features

- Ship and track packages from any computer with Web access
- Central control of UPS service levels
- Customizable reference fields, such as client/matter codes, cost codes, and department codes, that can be required and validated
- Query, sort, and export shipping histories and costs
- Company-wide and personal address books, with address validation during shipment processing
- Import and update address information across the organization
- Shipment Notification alerts by e-mail to the recipients of scheduled deliveries
- UPS-hosted, minimal if any IT involvement or user training needed

Benefits

- Allows simultaneous shipper autonomy and managerial cost-control
- Closes the billing gap through fast, proper cost allocation to departments and clients
- Reduces costly user errors, thanks to efficient global and personal address books
- Provides access to shipping history to better understand and control shipping habits
- Validates addresses during shipment processing
- UPS-hosted shipping solution requires no installation or maintenance of costly software
- Note: U.S. and Puerto Rico origin shipping solution only.



UPS Customer Technology Program

Get the Technology You Need

The UPS Customer Technology Program makes shipping technology easily accessible with affordably priced, full-featured bundles of best-in-class hardware, software, and peripherals. You can automate your shipping and tracking while streamlining business processes, all with a comprehensive, affordable technology solution from UPS-approved vendors.

Features

- Provides you with PCs, printers, and more from leading manufacturers
- Affordably priced equipment meeting UPS WorldShip® specifications
- Complete and ready to handle your entire shipping operation from your desktop
- All peripherals are UPS WorldShip compatible
- All PCs come with UPS WorldShip preinstalled
- Three-year, on-site technical support from PC manufacturers at no additional charge

Benefits

- Reduces the time spent on shipping activities with fast, efficient processing
- Minimizes costly errors with features like address book and validation
- Supports your unique business needs through flexible choices of manufacturers, components, and pricing options

Package Services

For Domestic Services below 150 lbs.:

1-800-PICK-UPS (742-5877)

Intl. Export/Import Services - 1-800-782-7892

Local UPS Representatives:

Your UPS Account Manager, Brenda Carmack is dedicated to working directly with The State of Michigan to continually identify needs and find solutions that best fit your organization. Brenda will work as a service partner with an open mind to The State of Michigan ideals and vision.

Brenda and Mary are dedicated to your organization and will provide a single point of contact for all of your business needs including, but not limited to, special service needs, problem resolution, process improvements, service related inquires, product enhancements and technology integrations.

Brenda will meet with key The State of Michigan personnel on a regular basis to review any and all service needs. The focus of the meetings would include pickup and delivery commitments, claims, reliability, technology, billing, problem resolution and process improvements.

In addition to a dedicated Account Manger, UPS provides representatives from various service groups to assist in providing the best solutions for our customers to meet their unique needs. Below is a list of local representatives currently engaged with your organization:

Account Manager
Brenda Carmack
UPS Worldwide Services
Cell 810-397-6471
mch1blc@ups.com

Area Sales Manager
Brad Barnes
UPS Worldwide Services
Office 517-272-3627
mch1bdb@ups.com

Admin Assistant
Mary Callery
Office 616-285-3640
mcallery@ups.com

Package Tracking

Convenient Numbers to Track Packages

- Tracking Number (A unique number UPS automatically assigns to every package)
- Reference Number (A number of your choice - up to 35 characters)
- UPS InfoNoticeSM (a notice left by UPS that indicates that a delivery or pickup has been attempted)



Convenient Ways to Track Packages

- At UPS.com® - Track up to 25 different tracking numbers
- Via wireless devices - visit www.ups.com/myups/info/wireless?loc=en_US.
- Within your business - via UPS OnLine® Tools, visit www.ec.ups.com.
- Through e-mail - at totaltrack@ups.com

Transition Plan

UPS utilizes a detailed master operating plan for the implementation of a new contract. UPS Account Managers can use a web-based "Contract Administration" utility that is designed to standardize and enhance the effectiveness of contract implementation between UPS and its customers. UPS Account Managers use this tool and process to build, implement, and monitor contracts that impact all locations of a parent company.

In addition, a customized "Transition Plan" can be developed and implemented for your organization and all its locations. This process will include detailed plans for instituting new UPS technology, operational (pick-up and delivery) schedules, customer service & support, and communications & training.

REFUND GUARANTEE

Overnight Package Services

The State recognizes that the contracted contractor would incur significant administrative costs to track and prove on-time delivery of every Overnight package. The State also recognizes that the contractor has proven (through their published data) that their on-time delivery success rate is very high. Therefore, in order to receive the best possible pricing for the services being bid, the **State is not requiring a Overnight refund guarantee.**

Contractor must provide their delivery standards for each type of service of Overnight Services, including the way in which they will/do minimize late deliveries.

Contractor Response:

UPS Express CriticalSM

- Same-day delivery that ensures customers the earliest delivery of urgent shipments
- Fast pickup from your location -- usually within 60 minutes of order placement
- Automated routing system provides the quickest, most efficient delivery options for your shipment
- Guaranteed on-time delivery to every address in the U.S. and Puerto Rico and more than 180 countries worldwide

Next Day Air[®] Early A.M.[®]

- Guaranteed weekday delivery to major cities in the contiguous 48 states by 8:00 a.m.
- Delivery by 8:30 a.m. to most other U.S. cities, including Anchorage, Alaska
- Available for weekday and Saturday deliveries

UPS Next Day Air[®]

- Guaranteed Overnight Delivery to every address in all 50 states and Puerto Rico
- Guaranteed Overnight Delivery by 10:30 a.m., 12:00 noon, or the end of next business day
- Saturday Delivery by noon or 1:30 p.m.
- Deliveries to Hawaii may take an extra day
- Deliveries to remote locations in Alaska may take an additional 1-5 days

Next Day Air Saver[®]

- Guaranteed Overnight Delivery by 3:00 p.m., an affordable delivery option for shipments that require next-business-day delivery, but don't have to be there in the morning.
- Guaranteed delivery by 3:00 p.m. to commercial destinations where UPS Next Day Air[®] delivery is committed by 10:30 a.m.
- Guaranteed delivery by 4:30 p.m. to commercial destinations where UPS Next Day Air delivery is committed by 12:00 noon
- Shipments to residential locations within the Next Day Air Saver area are delivered by end of day

**2nd Day Air A.M.®**

- Guaranteed Two-day Delivery by 10:30 a.m. to commercial destinations where UPS Next Day Air® delivery is committed by 10:30 a.m.
- Guaranteed Two-day Delivery by 12:00 noon to commercial destinations where UPS Next Day Air® delivery is committed by 12:00 noon.

2nd Day Air®

- Guaranteed Second-day Delivery, use as an economical alternative for time-sensitive shipments that do not require next day delivery.
- Guaranteed on-time delivery throughout the U.S. and Puerto Rico by the end of second business day

UPS Reliability

UPS sets the standard for reliability...with over 15 million on-time deliveries a day. That's more on-time packages than anyone. That UPS reliability means happier customers, fewer hassles, and smoother operations for our customers. Our annual technology investment of over \$1 billion for the past 18 years has contributed to the highest level of UPS on-time deliveries in our company's history. Our investment to fully automate all package hubs and terminals will ensure that UPS continues to lead the industry in on-time deliveries.

UPS Technology providing customer reliability and on-time performance**Package Flow Technologies: Innovation at Work**

In the early 20th century, UPS pioneered the hub and spoke model for package delivery operations. In this century, UPS continues its innovative tradition with the development of package flow technologies. A suite of software and hardware designed to give the company a competitive edge, package flow technologies ensure UPS has unparalleled small package operations - optimizing the delivery of multiple services to customers (air, ground and international) out of a single delivery vehicle.

PLD: The Cornerstone of the UPS Network

At the heart of package flow technologies - and all of UPS's package operations - is Package Level Detail, or PLD. UPS realized more than a decade ago that in order to achieve the level of automation required to serve customers most efficiently, information about a customer's package would have to make the transition from paper to digital. Enter the "smart" label - the concise physical embodiment of PLD.

The smart label contains all the detailed information UPS needs to know about a package in order to get it from Point A to B in the time frame requested by the customer. Obvious things such as the "Ship To Address" and the service level (e.g., UPS Ground, UPS Next Day Air, etc.).

But UPS doesn't call the label smart for nothing. It also contains a host of information, imbedded in bar codes and the unique UPS "maxi code," that ensure the package gets to its ultimate destination on time.

To manage their supply chains, customers need to be able to track their goods. The smart label denotes the "1Z" tracking number that enables customers to track packages online or via telephone as they move through the UPS delivery network.

So, how is the smart label generated? Customers can generate their own label via the Shipping function on UPS.com or by using any one of UPS's online products. Of course, smart labels can also be applied to packages customers take to any one of UPS's 70,000 full-service and drop off locations, e.g. *The UPS Store*, plus 88,000 UPS drivers. Today, more than 95 percent of all the packages traveling through the UPS delivery network are "smart."

**Optimizing the Delivery Network: Dispatch Planning**

To optimize the "last mile" in its delivery network (the last mile being the package distribution center, including package delivery by a UPS driver), UPS developed a suite of package flow technologies and business processes that use smart labels to capture information about the package before it even gets to the center.

Using historical, forecasted and exceptions information, package flow technologies create a dispatch plan for every driver working out of the package distribution center. The system helps package center management ensure that drivers are not over-dispatched and that last minute load changes to a driver's package car are minimized. This is very important because, unlike other carriers, UPS delivers multiple services using the same driver.

A single UPS driver delivers overnight packages, collects COD payments and delivers ground packages to the commercial and residential customers on his/her route. This provides the customer with a consistent, reliable service provider and enables UPS to more fully and efficiently understand a customer's unique needs. Consequently, customer service is tied directly to UPS's ability to optimize its dispatch planning and loading plans.

Tracking a package is critical to the management of customer supply chains. Package flow technologies synchronize package information with UPS's corporate databases so that customers have the latest package tracking information available.

The intent of this Contract is to make the process of package pick-up as convenient as possible. A system of drop boxes with set pick-up days and times will be provided by the contracted vendor as requested by the State. The Contractor will place pick-up boxes near State office facilities. The exact locations and number of pick-up boxes will be established after the contract award. At this time, pick-up boxes are required only in the Lansing area. However, the State may request placement of boxes in other areas of the state where concentrations of state employees also exist. The contracted vendor must maintain and service all drop boxes. The contracted vendor is required to collect packages from all drop boxes no earlier than 5:30 p.m. each State workday (Monday through Friday, except State holidays).

The contracted vendor must provide:

- Preprinted shipping bill forms that, at a minimum, contain: the shipper's name, address and the agency-specific account number and/or,
- An on-line shipping form that can be accessed through the internet. This form must facilitate the entry of all information necessary to successfully ship and account for the small package as defined by the contracted vendor and the State.

List any equipment (hardware and software) that the State will need in order to process Overnight packages (ex: a personal computer that is connected to the Internet, a printer that is connected to the personal computer, etc.). Indicate whether this equipment will be provided or will have to be acquired by the State.

The contracted vendor must ensure that there are blank shipping bills and shipping containers at all drop box locations.

The contracted vendor, at no cost to the State, will make available to all State users, various types of packaging required to contain and direct the letters/parcels.

The contracted vendor must provide a toll-free telephone number at which it can be contacted by State agencies for letter/parcel pick-ups. State employees located in areas in which volume is not sufficient to justify the placement of a pick-up box will telephone contracted vendor's designated toll-free telephone number and request pick-up of letters/parcels during regular State work hours.



The contracted vendor is required to provide to the Contract Compliance Inspector, a list of the contracted vendor's local key contacts for billing and delivery information.

The contracted vendor must make package tracking available through an on-line tracking system no later than two (2) hours after the package is picked up by the contracted vendor. The system must contain but is not limited to: acknowledgment of pick-up, status if delivery is detained, delivery tracking verification that includes the location of the package and its anticipated delivery time/date and acknowledgement of final delivery. Contracted vendor must also provide the name and phone number of its contact person that's available 24 hours/7 days a week to assist with issues related to the non-delivery of packages.

The contracted vendor must submit a work plan that will detail the methods, time frame, training and equipment needs required for the implementation of the contract.

GEOGRAPHIC COVERAGE (service areas)

Overnight Package Services

The contracted contractor must be able to pick up from every State office location (See ATTACHMENT #2 of RFP #07118200079). Since accounts may be added in locations that are not listed on ATTACHMENT #2 of RFP #07118200079, Contractor must also list any locations from which they do not currently provide pick-up services, or locations to which they plan to discontinue pick-up services

The Contractor must describe their world-wide delivery capabilities.

Contractor Response:

Response to Clarification Request 1 & 2

States Request #1:

1. Section 4.305 - Service Capabilities refers the bidder to several sections of the RFP for which responses from the bidder were required. One of these sections is: 1.002 Project Title and Description: Tasks – Small Package Services. One requirement was that the bidder was to: “List any equipment (hardware and software) the State will need in order to process Small packages.” In bidder's response (pages 70, 71), under the subheading “Get the Technology You Need”, it is stated: “The UPS Customer Technology Program - with affordably priced, full-feature bundles.” It was also stated, “Subsidy will be offered to the State of Michigan based on the commitment level shipped via UPS.” In its response, the Bidder also states on page 80, “UPS CTP” that “UPS previously allocated “The requirement states that the bidder must list any equipment the State must acquire and any other costs the State must incur in order to implement the specific Overnight Services products and services being offered. The State provided shipping volumes for its last fiscal year. Since these volumes are not a guarantee of future volumes, the Bidder must decide the cost for equipment, if any, that should be considered by the State when evaluating your bid. (See **1.002 Project Title and Description: Tasks - Small Package pgs 2-3** See also **Attachment #2 of RFP #07118200079– STATE of MICHIGAN – Small Package and Overnight Services package volumes for Fiscal Year 2007**).

UPS Response #1:

UPS will meet State of Michigan's technology needs by providing the necessary equipment for use of shipping at no additional cost with the UPS Customer Technology Program (CTP). Studies conducted by the UPS CTP program estimate that UPS will invest over \$26,000 in technology under this contract with the State.

**States Request #2:**

2. Section 4.305 - Service Capabilities refers the bidder to several sections of the RFP for which responses from the bidder were required. One of these sections is: 1.002 Project Title and Description: Tasks - Small Package Services. One requirement was that: "The contracted vendor must make package tracking available through an on-line tracking system no later than two (2) hours after the package picked up by the contracted vendor." While the Bidder lists some features of its "Package Tracking" product on page 72 of its response, it does not state whether it can comply with the requirement stated above. Please describe your ability to meet this requirement. Include in your explanation any costs associated with tracking. (Ref. **1.002 Project Title and Description: Tasks - Small Package Services pg 3**)

UPS Response #2:

UPS currently provides this service to the State. This information is available on-demand at UPS.COM or UPS Quantum View Manage at no additional cost to the State.

Start of Bidders Response:**UPS Drop Boxes****Now Accepting All UPS Service Levels**

With nearly 40,000 locations nationwide, a UPS Drop Box is bound to be near you. You can drop off your shipment 24 hours a day and enjoy later pickup times to meet the demands of your busy schedule.

Features

- Ship to domestic and international locations.
- Get many necessary shipping supplies right at your nearest UPS Drop Box.
- Declare a value for packages to a maximum value of US\$500 per package.

Note: Dimension, high value, and hazardous material shipment restrictions apply.

Benefits

- All UPS service levels are accepted at UPS Drop Box locations.
- Access UPS Drop Boxes 24 hours a day, seven days a week.
- Get later pickup times than with your regularly scheduled pickup.
- Use UPS Drop Boxes as a single source for everything you need to make last-minute shipments.

UPS CampusShip™, a Web-based, full-featured shipping solution is designed for companies whose employees handle their own shipments. Yet, with just a few steps, it allows custom setup for optimizing shipping throughout the organization.

Features

- Can reduce # of accounts at State of Michigan by assigning reference codes or department codes versus starting new account numbers. Control is given to Contract Compliance Inspector of services agency can or cannot use.
- Ship and track packages from any computer with Web access
- Central control of UPS service levels
- Customizable reference fields, such as client/matter codes, cost codes, and department codes, that can be required and validated
- Query, sort, and export shipping histories and costs
- Company-wide and personal address books, with address validation during shipment processing
- Import and update address information across the organization



- Shipment Notification alerts by e-mail to the recipients of scheduled deliveries
- UPS-hosted, minimal if any IT involvement or user training needed

Benefits

- Allows simultaneous shipper autonomy and managerial cost-control
- Closes the billing gap through fast, proper cost allocation to departments and clients
- Reduces costly user errors, thanks to efficient global and personal address books
- Provides access to shipping history to better understand and control shipping habits
- Validates addresses during shipment processing
- UPS-hosted shipping solution requires no installation or maintenance of costly software
- Note: U.S. and Puerto Rico origin shipping solution only.

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.

Express Envelopes

Letter and Legal sized Express Envelopes are perfect for your urgent documents.

Express Paks

Regular and padded Express Paks are ideal for large reports or heavy documents.

Boxes and Tubes

Express Boxes and Tubes are ideal for a variety of shipments.

My Packaging

Packaging guidelines for shipments using non-UPS packaging material.

Forms

Read details and descriptions of shipping forms available from UPS.

Shipping Labels

Details and descriptions of shipping labels and stickers to highlight your service.

Creating Labels on UPS.com

Details of shipping labels available on the UPS Web site.

Creating Labels with UPS WorldShip

Details and descriptions of labels available for use with UPS WorldShip products.

UPS provides shipping supplies at no charge to UPS account holders. In accordance with the UPS.com Supply Ordering Terms and Conditions, these supplies are to be used by the account owner, solely for the purpose of shipping with UPS.

Local UPS Representatives:

Your UPS Account Manager, Brenda Carmack is dedicated to working directly with The State of Michigan to continually identify needs and find solutions that best fit your organization. Brenda will work as a service partner with an open mind to The State of Michigan ideals and vision.

Brenda and Mary are dedicated to your organization and will provide a single point of contact for all of your business needs including, but not limited to, special service needs, problem resolution, process improvements, service related inquires, product enhancements and technology integrations.



Brenda will meet with key The State of Michigan personnel on a regular basis to review any and all service needs. The focus of the meetings would include pickup and delivery commitments, claims, reliability, technology, billing, problem resolution and process improvements.

In addition to a dedicated Account Manger, UPS provides representatives from various service groups to assist in providing the best solutions for our customers to meet their unique needs. Below is a list of local representatives currently engaged with your organization:

Account Manager
Brenda Carmack
UPS Worldwide Services
Cell 810-397-6471
mch1blc@ups.com

Area Sales Manager
Brad Barnes
UPS Worldwide Services
Office 517-272-3627
mch1bdb@ups.com

Admin Assistant
Mary Callery
Office 616-285-3640
mcallery@ups.com

Package Tracking

Convenient Numbers to Track Packages

- Tracking Number (A unique number UPS automatically assigns to every package)
- Reference Number (A number of your choice - up to 35 characters)
- UPS InfoNoticeSM (a notice left by UPS that indicates that a delivery or pickup has been attempted)

Convenient Ways to Track Packages

- At UPS.com[®] - Track up to 25 different tracking numbers
- Via wireless devices - visit www.ups.com/myups/info/wireless?loc=en_US.
- Within your business - via UPS OnLine[®] Tools, visit www.ec.ups.com.
- Through e-mail - at totaltrack@ups.com

Transition Plan

UPS utilizes a detailed master operating plan for the implementation of a new contract. UPS Account Managers can use a web-based "Contract Administration" utility that is designed to standardize and enhance the effectiveness of contract implementation between UPS and its customers. UPS Account Managers use this tool and process to build, implement, and monitor contracts that impact all locations of a parent company.

In addition, a customized "Transition Plan" can be developed and implemented for your organization and all its locations. This process will include detailed plans for instituting new UPS technology, operational (pick-up and delivery) schedules, customer service & support, and communications & training.

The contracted vendor must be able to pick up from every State office location (See ATTACHMENT #2 of RFP #07118200079). Since accounts may be added in locations that are not listed on ATTACHMENT #2 of RFP #07118200079, bidders must also list any locations from which they do not currently provide pick-up services, or locations to which they plan to discontinue pick-up services.

The bidders must describe their world-wide delivery capabilities.

Bidder Response:

UPS delivers to more than 200 countries and territories in the world - every country on the planet not embargoed by the United States government. The company has international air hubs in Cologne, Taipei, Miami (to serve Latin America), an intra-Asia hub in the Philippines, and the UPS Worldport in Louisville, Kentucky.

With this unsurpassed international network, UPS facilitates the three flows of the global supply chain: goods, information and funds for businesses worldwide. For example, the company can provide superior time-definite worldwide delivery options (from documents to heavy freight), technology to supply critical information and services to speed the flow of funds.

**1.003 PROJECT CONTROL**Project Control

The Contractor will carry out this project under the direction and control of the Department of Management & Budget (DMB), Mail and Delivery Services Division. Although there will be continuous liaison with the contracted contractor, the State's Contract Compliance Inspector will meet **quarterly** at a minimum, with the contractor for the purpose of reviewing progress and providing necessary guidance to the contracted contractor in resolving problems which arise.

Once the contract is executed, the contracted contractor will submit monthly brief written summaries of the progress in implementing the contract and its work plan, including: accounts established, work to be accomplished during the subsequent reporting period; and problems/challenges; real or anticipated. All issues, including any deviation from the work plan must be brought to the attention of the State's Contract Compliance Inspector. A copy of these summaries must also be forwarded to the Contract Administrator in DMB - Purchasing Operations. These summaries will continue until the State's Contract Administrator deems them no longer necessary.

The State's Contract Compliance Inspector is:
Mail & Delivery Services Division
Steven Cheal, Manager Mailing Services
7461 Crowner Dr.
Lansing, MI 48913
Phone: 517-322-1897
Email: cheals@michigan.gov

Contractor Response:

Quarterly meetings

UPS Account Manager, Brenda Carmack, will meet with key State of Michigan personnel on a regular basis to review any and all service needs. The focus of the quarterly meetings would include, but not be limited to; pickup and delivery commitment, capacity, claims/on-time reliability, safety, billing, etc.

1.004 COMMENCEMENT OF WORK - RESERVED**1.1 Product Quality - RESERVED****1.101 SPECIFICATIONS - RESERVED****1.102 RESERVED****1.103 RESERVED****1.104 GUARANTEE FOR PRODUCTS OR SERVICES**

Contractor shall discuss all aspects of their guarantee. This shall include the guarantee associated with the service being proposed, as well as the guarantee associated with any service work performed under the contract. Contractor shall also discuss how they will report and resolve issues associated with lost or damaged packages. Contractor should report lost or damaged packages as soon as possible, but no later than 24 hours. Contractor should discuss the process state agencies should follow to report issues associated with the lost or damaged packages.



Contractor Response:

UPS Service Guarantee

UPS guarantees on-schedule delivery of packages shipped via UPS Air Services, where such services are available, to all 50 states and Puerto Rico.

UPS guarantees on-schedule delivery of packages shipped via UPS Hundredweight Air Services, where such services are available, to all 50 states and Puerto Rico.

UPS guarantees on-schedule delivery of packages shipped via UPS 3 Day Select and UPS Hundredweight 3 Day Select, where such services are available, to all 50 states and Puerto Rico

UPS guarantees on-schedule delivery of packages shipped via UPS Overnight and UPS Hundredweight Overnight, where such services are available, to all 50 states and Puerto Rico.

UPS guarantees on-schedule delivery of packages shipped via UPS Worldwide Express Plus, UPS Worldwide Express NA1, UPS Worldwide Express, UPS Worldwide Expedited, UPS 3 Day Select From Canada and UPS Standard, where such services are available and provided that the customs clearance is performed by the UPS Supply Chain Solutions brokerage offices designated by UPS for clearing these packages and there is not a delay caused by certain events beyond our control, such as a government agency hold.

Customs clearance for the services listed above is provided by the UPS Supply Chain Solutions brokerage offices (formerly UPS Customhouse Brokerage offices) designated for handling Overnight package customs clearance. Other UPS Supply Chain Solutions customs brokerage offices charge fees for clearance of Overnight packages and freight.

"Business day" means Monday through Friday except the following holidays:

- | | |
|--------------------|------------------------------|
| - New Year's Day | -Memorial Day |
| - Independence Day | -Labor Day |
| - Thanksgiving Day | -Day after Thanksgiving Day* |
| - Christmas Day | -New Year's Eve* |

*Delivery of UPS Air Services and International Packages only.

There are two types of claims: loss or damage.

Loss: If a package is lost, the shipper may request a package tracer. A tracer must be requested within nine months of a package's scheduled delivery date. The purpose of the tracer is to provide proof of delivery. If UPS is unable to prove delivery, a claim number for loss is issued.

Damage: A damaged package may be reported to UPS by the shipper or receiver. An inspection by a UPS representative may be required. A damage inspection report is prepared and the shipper of record is contacted with the results of the inspection. If approved for payment, a damage claim number is issued.

Filing of claims for loss or damage to property: (UPS Tariff)

All claims for loss of or damage to property transported or accepted for transportation must: (1) be in writing and must include reference to the source document or pickup record number and date of shipment or copies of other documents sufficient to identify the shipment involved, and the declared value; (2) assert the liability of UPS for alleged loss or damage; (3) make claim for payment of a specified or determinable amount of money; and (4) be accompanied by a copy of the original invoice or, if no invoice was issued, other proof, certified to in writing, as to the purchase price paid by the consignee (where the property involved has been sold to the consignee), actual cost or replacement cost of the property, or extent of the damage to the property.

No claims will be voluntarily paid unless filed in writing by or on behalf of the shipper in accordance with these provisions.



1.2 Service Capabilities

1.201 CUSTOMER SERVICE/ORDERING / ESTABLISHING NEW ACCOUNTS

Contractor shall discuss their ordering/customer service capabilities. This includes having the capacity to receive orders electronically, by phone, facsimile, and by written order. The Contractor shall provide a statewide toll-free phone number for phone orders. Contractor shall have internal controls, approved by Purchasing, to insure that authorized individuals with the State place orders. The Contractor shall verify orders that have quantities that appear to be abnormal or excessive.

Only the State's Contract Compliance Inspector or his/her designee is authorized to establish new accounts. Any State Agency that contacts the contracted contractor to establish a new account must be directed by the contracted contractor to the State's Contract Compliance Inspector.

State Agencies covered by this contract are not permitted to establish individual accounts outside of this contract with either the contracted contractor or another provider of the contracted services.

The contracted contractor will not set up any accounts, even if requested by State Agencies, whether by phone or through an on-line internet access. Rather, if a State Agency requests the contracted contractor to establish an account, the contracted contractor will inform the State Agency that they are not permitted to do so and direct the State Agency to the State's Contract Compliance Inspector.

The Contractor shall have an accessible customer service department with an individual specifically assigned to State of Michigan accounts. The Contractor's customer service must respond to State agency inquiries promptly.

Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the Schedule.

All delivery orders or task orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order or task order and this contract, the contract shall control.

If mailed, a delivery order or task order is considered "issued" when the State deposits the order in the mail. Orders may be issued orally, by facsimile, or by electronic commerce methods.

Contractor Response:

Response to Clarification Request 3

States Request #3:

Section 4.305 - Service Capabilities refers the bidder to several sections of the RFP for which responses from the bidder were required. One of these sections is: 1.201 Customer Service/Ordering / Establishing New Accounts. The bidder must discuss: 1) How new accounts will be approved and established under the direction of the "Contract Compliance Officer" and, 2) Ways that it will prevent State Agencies from establishing individual accounts outside of the contract. The only solution mentioned is page 77 of your response, UPS Campus Ship. Yet, you do not indicate whether or not this product addresses the requirements regarding approving and restricting the establishment of new accounts. (See 1.201 Customer Service/Ordering / Establishing New Accounts).

UPS Response #3:

1) The State contract compliance officer will contact the UPS administrative representative that a new account is required. .

2)The administrative representative from UPS will only be allowed to establish new accounts/account numbers through the State's Contract Compliance Officer.



Start of Bidders Response:

UPS Campus Ship will enable the elimination of 600 accounts at the State of Michigan and assign one account number for each department – a total of only 21 UPS account numbers. Each department head is the point of contact and what we call the UPS Campus Ship Administrator. Each agent within the department is given access to Campus Ship. Campus Ship increases cost and service controls and allows the Administrator to customize and control service levels (Overnight, Next Day Air, Second Day Air). Each agent is required (requirement can be set as a default in Campus Ship) to put in the department code in a reference field which will streamline the cost allocation process for each department. Billing, incentives, etc. all remain the same but much more control within each department. UPS Campus Ship – Desk-top shipping at each work station.

1.202 TRAINING

Contractor shall discuss their training capabilities and the training to be included in the Contract. The Contractor shall provide training to individual agencies, when necessary, on aspects of ordering, shipping, billing, and receiving. At the request of the Contract Compliance Inspector, the Contractor shall provide in-service training to agency personnel on products, installation, and product safety issues. The Contractor shall also provide agency training jointly with the State as needed during the period covered by the contract at no additional charge.

Contractor Response:

Response to Clarification Request 6

States Request #6:

Section 4.305 - Service Capabilities refers the bidder to several sections of the RFP for which responses from the bidder were required. One of these sections is: 1.202 Training. This requirement states: "Bidders shall discuss their training capabilities and the training to be included in the Contract. While in your response on page 77, the bidder states that they will provide training, you mention only one product. In addition, no training costs are stated. Please state your training capabilities and any costs associated with training that will be provided as part of the contract, See 1.202 Training).

UPS Response #6:

Training is provided to the State at no additional cost either by a UPS Technician or the UPS Account Manager. Training is provided for all services and products as needed by the State.

UPS will provide training necessary to make personal visits to each agency and train them on Campus Ship in order to eliminate unnecessary accounts and provide the control to the State's Contract Compliance Inspector.

1.203 REPORTING

Contractor shall discuss their capabilities related to generating reports. Contractor shall be able to provide various reports, when requested by the State. Note: Contractor must provide samples of the following reports for each of the services being bid (Overnight Package Services and Overnight Services). All reports including the sample reports must be made available to the State's Contract Compliance Inspector in Microsoft Excel format.

The contracted contractor must provide to the State's Contract Compliance Inspector a monthly report that includes a complete list of all current State accounts including:

- Agency account number,
- Agency name.
- Agency address,
- Agency contact & phone number

(A separate report is not required if this information is already included in one of the other required reports).



The contracted contractor must provide monthly performance reports for all State accounts to the State's Contract Compliance Inspector. This report will be segmented by type of service (ex: for Overnight Mail Services, types of services should include: Overnight commercial services, Overnight residential services etc.) and must include:

- Agency account number
- Agency name
- Agency address
- Number of shipments by type of service / zone
- Cost of shipments by type of service / zone

The contracted contractor will provide to the State's Contract Compliance Inspector a monthly report for all State accounts that lists all accessorial charges and any other charges by account number. This report must include:

- Agency account number,
- Agency name.
- Agency address,
- Type of Accessorial or miscellaneous charges assessed,
- Number of occurrences for Accessorial or miscellaneous charges assessed
- Cost of Accessorial or miscellaneous charges assessed,

Contractor Response:

Response to Clarification Request 7

States Request #7:

UPS Response #7:

See Attachment #1 of RFP #07118200079 (Report Example)

1.204 SPECIAL PROGRAMS

The State is interested in any other special programs that contractor's may have. Please discuss these programs, such as return policies, trade-in programs allowing the return of new product not needed, quantity discounts, etc.

Contractor Response:

Response to Clarification Request 8

States Request #8:

Section 4.305 - Service Capabilities refers the bidder to several sections of the RFP for which responses from the bidder were required. One of these sections is: 1.204 Special Programs. This requirement states: "The State is interested in any other special programs that vendor's may have. Please discuss these programs, such as return policies, trade-in programs allowing the return of new product not needed, quantity discounts, etc. (See 1.204 Special Programs). The RFP should have also requested any pricing associated with these Special Programs since these programs can be considered when scoring the bid. (See also Section 4.305 - Service Capabilities and 4.6 Award Process 4.601 METHOD OF AWARD /SELECTION CRITERIA, 1. DMB Purchasing Proposal Evaluation; OVERNIGHT PACKAGE SERVICES EVALUATION; Item #2).

UPS Response #8:

The HRCS program is provided to the State at no additional cost to the State. One UPS TrackPad package tracking system will be provided at no additional cost to the State. UPS will meet State of Michigan's technology needs by providing the necessary equipment for use of shipping at no additional cost with the UPS Customer Technology Program (CTP). Studies conducted by the UPS CTP program estimate that UPS will invest over \$26,000 in technology under this contract with the State.

Start of Bidders Response:

Dept of Treasury Security

UPS met with Department of Treasury in February 2007, to address their concern with security for the State of Michigan stamps. UPS implemented a service called UPS HRCS. This program allows UPS to treat each package as a high value package and is hand carried to a Business Manager at each center until final delivery is made. The product does not ride on the belts through the normal process due to the sensitivity of the information contained in the package. In order to assist the State with control of the stamps UPS implemented a customized solution specifically for the State of Michigan.

UPS Track Pad

The UPS Trackpad package tracking system is the technology application needed for disaster preparedness and response. The UPS TrackPad application will allow the State of Michigan to verify delivery of vital supplies such as vaccinations down to the location and very signature of the recipient.

Michigan Department of I.T. is in the process of purchasing the UPS Trackpad to establish accountability for deliveries of expensive computer equipment and meet current compliance requirements. Depot workers and delivery drivers will be equipped to scan equipment and obtain signatures to confirm the receipt of these assets. The ability of the system to track assets would be useful and demonstrate fiscal responsibility at any agency.

The UPS Trackpad package tracking system is the technology application needed for disaster preparedness and response. The UPS TrackPad application will allow the State of Michigan to verify delivery of vital supplies such as vaccinations down to the location and very signature of the recipient.

Michigan Department of I.T. is in the process of purchasing the UPS Trackpad to establish accountability for deliveries of expensive computer equipment and meet current compliance requirements. Depot workers and delivery drivers will be equipped to scan equipment and obtain signatures to confirm the receipt of these assets. The ability of the system to track assets would be useful and demonstrate fiscal responsibility at any agency.

UPS is already under contract with one large county in Michigan to implement the system for disaster preparedness and response. The system will be installed in hospitals and on ambulances to monitor the identity, whereabouts, and condition of disaster victims. Connected to a central database, officials will be able to monitor the number of victims at each hospital to gauge the severity of the situation. In addition, family members will be able know in an instant where a loved one is located. Date and time data can be used to evaluate the performance of personnel to determine if the response was timely and efficient.

UPS has determined many applications with state agencies where a high degree of accountability is necessary.

DMB has a need to create accountability for trackable packages delivered by its in-house fleet. Agencies served by the fleet frequently request information on the status of a deliveries. Documents scanned to microfiche can also be tracked in and out of storage.

MDOT has a need to track internal deliveries due to the high value of the incoming bids, contracts and project documents that routinely flow through the department. One lost or delayed document can cause additional costs in project over-runs or even just replicating expensive blueprints. Every department in Executive, Judicial and Legislative branches can use the UPS Trackpad for administrative control of deliveries.

DNR for wildlife and plant samples, and possibly tracking tagged animals.

DEQ for water and soil samples.

Secretary of State for automotive assets and impounded vehicles.

Treasury for control of unclaimed property.

State Police for controlling personal property and evidence.

Corrections for controlling inmate deliveries and personal property.



Every department can use the system for managing visitors in controlled areas.
 The system can be deployed across all agencies under an enterprise-wide contract for software and support.
 Michigan Department of Health needs the UPS Trackpad to track shipments that are time sensitive or sensitive because of their content. Vital samples of diseased tissues, water samples, and blood work if misplaced or delayed can cause delay in a diagnosis or prevention of the spread of disease. Delay can also cause the samples to expire and new samples must be taken at an additional cost. The most important aspect of this is the need for complete accountability of human samples that, if lost or stolen, could compromise the privacy of the donor. The sensitivity of human DNA, individual rights, and how to protect them has come to the forefront of national debate.
UPS CTP UPS Customer Technology Program (CTP) – UPS previously allocated \$5,000 to the State of Michigan to purchase new computer hardware. This will be revisited upon the award of the RFP to purchase equipment on behalf of the state per the long term agreement to maintain UPS as the preferred carrier for the next three years.
 Faster equipment that will cut time spent in processing labels.
 Integration – will allow Worldship to write back to the State of Michigan information including tracking number, cost of shipment, etc.

1.205 RESERVED

1.3 Delivery Capabilities
1.301 TIME FRAMES

Overnight Package Services

Delivery of Overnight packages will occur within one to five business days or within the contracted contractor’s published time frames for each of its different levels of service. The contracted contractor is required to collect Overnight packages from all State office locations before the daily close of business for that office.

The contracted contractor must be able to pick up from every State office location (See ATTACHMENT #2 of RFP #07118200079). Since accounts may be added in locations that are not listed on ATTACHMENT #2 of RFP #07118200079, Contractor must also list any locations from which they do not currently provide pick-up services, or locations to which they plan to discontinue pick-up services.

Contractor Response:

UPS Overnight provides day-specific delivery to destinations in the U.S.

On-schedule Delivery to U.S. Addresses:
 Prompt, dependable, cost-effective Overnight delivery makes UPS Overnight an excellent choice for all your routine shipments.

Benefits:
 Reliable delivery combined with up-to-the minute tracking information
 Prompt, dependable, cost-effective delivery
 Guaranteed day of delivery to all 50 states and Puerto Rico

Contracted contractor must provide on-time delivery of packages. The contracted contractor must provide its published documents that indicate the percentage of on-time deliveries it’s currently achieving. In order to bid for Overnight Services the Contractor must be achieving an on-time delivery per cent of at least 95%.

**1.302 MINIMUM ORDER - RESERVED****1.303 PACKAGING - RESERVED****1.304 PALLETIZING - RESERVED****1.305 DELIVERY TERM**

Materials necessary to facilitate the shipment of Overnight packages from all State locations (whether listed in ATTACHMENT #2 of RFP #07118200079 or added during the contract term) will be provided by the contracted contractor at no cost for the materials or for the transportation of the materials to the State's locations.

1.306 RESERVED**1.4 Project Price****1.401 PROPOSAL PRICING**

Contractor shall provide pricing for the items included on the RFP (see Pricing Grids ATTACHMENTS 1A, 1B, and 1C). Contractor must provide pricing for three years and may also include pricing for the 2 optional years. Pricing must be listed for:

- Zone to zone deliveries
- Types of Accessorial Charges
Note: Accessorial charges that are not listed in the bid cannot be assessed to the State at a future time unless the State agrees in writing through the Contract Change Notice process.
- Types of Miscellaneous Charges
Note: Miscellaneous charges that are not listed in the bid cannot be assessed to the State at a future time unless the State agrees in writing through the Contract Change Notice process.
- Equipments the contractor will provide (ex: any accounts that ship over 100 packages per month will be required to acquire a printer capable of printing thermal labels).

Contractor must provide definitions for the following:

Zones

Accessorial Charges

Miscellaneous Charges

Specifications for Equipment

1.402 QUICK PAYMENT TERMS – N/A**1.403 PRICE TERM**

Prices quoted are firm for 365 days from the effective date of the contract. After 365 days, the rate change will take place, but not greater than 5%.



1.5 Quantity term

Contractor agrees to supply all that the state requires

1.6 Other Terms and Conditions Needed for this Contract

In addition to the payment acceptance requirements stated in Section 2.205 'Electronic Payment Availability', the contracted contractor must also be capable and willing to accept payment for each account by means of a credit card, including MasterCard and Visa. No fee can be assessed to the State for the use of a credit card.



Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

The Contract is for Overnight packages weighing one pound or more (henceforth known as Overnight Package Services for the State of Michigan). Exact quantities to be purchased are unknown, however the Contractor will be required to furnish all such materials and services as may be ordered during the Contract period. Quantities specified if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities. Orders for delivery will be issued directly to the Contractor by various State Agencies on the Purchase Order Contract Release Form.

2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

The Contract is issued by Purchasing Operations, State of Michigan, Department of Management and Budget, hereinafter known as Purchasing Operations, for the entire State of Michigan. Where actions are a combination of those of Purchasing and the State agencies, the authority will be known as the State.

Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the commodities and/or services described herein. Purchasing is the only office authorized to negotiate, change, modify, amend, alter, clarify, etc., the specifications, terms, and conditions of the Contract. Purchasing Operations will remain the SOLE POINT OF CONTACT throughout the procurement process.

Contractor proceeds at its own risk if it takes negotiation, changes, modification, alterations, amendments, clarification, etc., of the specifications, terms, or conditions of the Contract from any individual or office other than Purchasing Operations and the listed contract administrator

All communications covering this procurement must be addressed to Contract Administrator indicated below:

Department of Management and Budget
Purchasing Operations
Attn: Andy Ghosh, CPPB
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
Phone: 517-373-7396
Email : ghosha@michigan.gov

2.003 NOTICE

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized Overnight express courier with a reliable tracking system.

2.004 CONTRACT TERM

The term of this Contract will be for three (3) years and will commence with the issuance of a Contract. This will be approximately January 1, 2009 through December 31, 2011.

Option. The State reserves the right to exercise two (2) one-year options, at the sole option of the State. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Purchasing to exercise an option year.



Extension. At the sole option of the State, the contract may also be extended. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Purchasing to exercise an option year.

Written notice will be provided to the Contractor within thirty (30) days, provided that the State gives the Contractor a preliminary written notice of its intent to extend at least sixty (60) days before the contract expires. The preliminary notice does not commit the State to an extension. If the State exercises this option, the extended contract shall be considered to include this option clause.

2.005 GOVERNING LAW

The Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. By signing this agreement, contractor consents to personal jurisdiction in the state of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

2.006 APPLICABLE STATUTES

The following statutes, rules, and laws are applicable to the performance of this contract; some statutes are reflected in the clauses of this contract. This list is NOT exhaustive.

MI Uniform Commercial Code (MIUCC) MCL 440. (All sections unless otherwise altered by agreement)

MI OSHA MCL §§ 408.1001 – 408.1094

Freedom of Information Act (FIOA) MCL §§ 15.231, et seq.

Natural Resources and Environmental Protection Act MCL §§ 324.101, et seq.

MI Consumer Protection Act MCL §§ 445.901 – 445.922

Laws relating to wages, payments of wages, and fringe benefits on state projects MCL §§ 408.551 – 408.558, 408.471 – 408.490, 1965 PA 390.

Department of Civil Service Rules and regulations

Elliot Larsen Civil Rights Act MCL §§ 37.2201, et seq.

Persons with disabilities Civil Rights Act MCL §§ 37.1101, et seq.

MCL §§ 423.321, et seq.

MCL § 18.1264 (law regarding debarment)

Davis-Bacon Act (DBA) 40 USCU §§ 276(a), et seq.

Contract Work Hours and Safety Standards Act (CWHSSA) 40 USCS § 327, et seq.

Business Opportunity Act for Persons with Disabilities MCL §§ 450.791 – 450.795

Rules and regulations of the Environmental Protection Agency

Internal Revenue Code

Rules and regulations of the Equal Employment Opportunity Commission (EEOC)

The Civil Rights Act of 1964, USCS Chapter 42

Title VII, 42 USCS §§ 2000e et seq.

The Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.

The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.

The Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626, et seq.

The Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.

The Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.

Pollution Prevention Act of 1990 (PPA) 42 U.S.C. §13106

Sherman Act, 15 U.S.C.S. § 1 et seq.

Robinson-Patman Act, 15 U.S.C.S. § 13 et. seq.

Clayton Act, 15 U.S.C.S. § 14 et seq.

Health Insurance Portability and Accounting Act (HIPAA), 45 CFR Parts 160 and 164

Public Act 452 of 2004, Identity Theft Protection Act, MCL 445.61 et. seq.

**2.007 RELATIONSHIP OF THE PARTIES**

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or any of its subcontractors shall be or shall be deemed to be an employee, agent, or servant of the State for any reason. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of this Contract.

2.008 HEADINGS

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

2.009 MERGER

This document constitutes the complete, final, and exclusive agreement between the parties. All other prior writings and negotiations are ineffective.

2.010 SEVERABILITY

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

2.011 SURVIVORSHIP

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of the Contract for any reason.

2.012 NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of the Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term or any other term of the Contract.

2.013 PURCHASE ORDERS

Orders for delivery of commodities and/or services may be issued directly by the State Departments through the issuance of a Purchase Order Form referencing this Contract (Blanket Purchase Order) agreement and the terms and conditions contained herein. Contractor is asked to reference the Purchase Order Number on all invoices for payment.

2.1 Contractor/Contractor Obligations**2.101 ACCOUNTING RECORDS**

The Contractor and all subcontractors shall maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Auditor General at any time during the Contract period and any extension thereof, and for three years from expiration date and final payment on the Contract or extension thereof.

2.102 NOTIFICATION OF OWNERSHIP

The Contractor shall make the following notifications in writing:



1. When the Contractor becomes aware that a change in its ownership or officers has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify Purchasing within 30 days.
2. The Contractor shall also notify the Purchasing within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

The Contractor shall:

1. Maintain current, accurate, and complete inventory records of assets and their costs;
2. Provide Purchasing or designated representative ready access to the records upon request;
3. Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership or officer changes; and
4. Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership or officer change.

2.103 SOFTWARE COMPLIANCE-RESERVED

2.104 RESERVED

2.105 PERFORMANCE AND RELIABILITY EVALUATION (PARE)-RESERVED

2.106 PREVAILING WAGE-RESERVED

2.107 PAYROLL AND BASIC RECORDS-RESERVED

2.108 COMPETITION IN SUB-CONTRACTING

The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the contract.

2.109 CALL CENTER DISCLOSURE-RESERVED

2.150 CONFIDENTIALITY

2.151 FREEDOM OF INFORMATION

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et set (the "FOIA").

UPS Response #1 (other considerations)

UPS accepts the State's term that all information in our proposal is subject to the provisions of Michigan's Freedom of Information Act.

2.152 CONFIDENTIALITY

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section:

- "Confidential Information" of the Contractor shall mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary, or labeled with a similar designation.



• “Confidential Information” of the State shall mean any sensitive information which is retained in confidence or otherwise required to be held in confidence by the State pursuant to applicable federal, state, and local laws and regulations. Packages provided to the contractor for delivery may contain sensitive and confidential information that is protected by state and federal confidentiality laws, such as, but not limited to, the Health Insurance Portability and Accountability Act, HIPAA Privacy Rule, or the Identity Theft Protection Act, PA 452 of 2004. Packages delivered by the contractor that are marked confidential, restricted, proprietary, or labeled with a similar designation will be treated as confidential. In the case of information of either Contractor or the State “Confidential Information” shall exclude any information (including this Contract) that is publicly available pursuant to the Michigan FOIA.

2.153 PROTECTION OF CONFIDENTIAL INFORMATION

- A. The State and Contractor will each use at least the same heightened degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party’s Confidential Information to the other party.
- B. Each party will limit all employees’ use and access of the other party’s Confidential Information to the minimum amount necessary for the employee to fulfill the purpose of this contract.
- C. Contents from damaged packages will be immediately secured and protected from further access or disclosure.
- D. Contractor will maintain written policies and procedures to protect and safeguard all confidential information, including procedures to respond to events that include damaged, lost, or mislaid packages.
- E. Disclosure to, and use by, a subcontractor is permissible where (A) use of a subcontractor is authorized under this Contract, (B) such disclosure is necessary or otherwise naturally occurs in connection with work that is within such subcontractor’s scope of responsibility, and (C) Contractor will ensure that any agents, including subcontractor(s) agree in writing to the same restrictions and conditions that apply to the parties with respect to confidential information.
- F. At the State’s request, any employee of Contractor and of any subcontractor having access or continued access to the State’s Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor’s and the subcontractor’s obligations under this Section and of the employee’s obligation to Contractor or subcontractor, as the case may be, to protect such confidential Information from unauthorized use or disclosure.

2.154 EXCLUSIONS

Notwithstanding the foregoing, the provisions of this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose such information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose such Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of such disclosure as reasonably requested by the furnishing party.

2.155 NO IMPLIED RIGHTS

Nothing contained in this Section shall be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.



2.156 REMEDIES

Each party acknowledges that, if it breaches (or attempts or threatens to breach) its obligations under this Section, the other party may be irreparably harmed. Accordingly, if a court of competent jurisdiction should find that a party has breached (or attempted or threatened to breach) any such obligations, the non-breaching party shall be entitled to seek an injunction preventing such breach (or attempted or threatened breach). Further, if the State determines through a security assessment, that a breach has occurred, the provisions of the Contractor's Liability Insurance Clause (Section ...) shall be applied to the fullest extent necessary.

2.157 SECURITY BREACH NOTIFICATION

In the event of a breach of this Section, to include but not limited to damaged, mislaid, or lost packages, Contractor shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure, to include but not limited to damaged, mislaid, or lost packages. Contractor shall report to the State any such event involving the security of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 24 hours of becoming aware of such damage, loss, use, or disclosure.

2.158 SURVIVAL

The parties' respective obligations under this Section shall survive the termination or expiration of this Contract for any reason.

2.159 DESTRUCTION OF CONFIDENTIAL INFORMATION

Promptly upon termination or cancellation of the Contract for any reason, Contractor shall certify to the State in writing, that Contractor has destroyed all State Confidential Information.

2.2 Contract Performance

2.201 TIME IS OF THE ESSENCE-RESERVED

2.202 CONTRACT PAYMENT SCHEDULE

All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) will mutually agree upon the result of this RFP. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

Unless otherwise agreed in writing, correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., "Payments to Private Enterprises", within forty-five (45) days after receipt.

UPS Response #2 (other considerations) UPS Response #2 (other considerations)

UPS accepts the State's term of payments within 45 days after receipt of invoice.

**2.203 POSSIBLE PROGRESS PAYMENTS-RESERVED****2.204 STATE ADMINISTRATIVE FEE - RESERVED****2.205 ELECTRONIC PAYMENT AVAILABILITY**

Electronic transfer of funds is MANDATORY for State Contractor. Contractor is required to register with the State of Michigan Office of Financial Management so the State can make payments related to this Contract electronically at www.cpexpress.state.mi.us.

In addition to these payment acceptance requirements, the contracted contractor must also be able to accept payment for each account by means of a credit card, including MasterCard and Visa. No fee can be assessed for the use of a credit card.

2.206 MiDEAL PROGRAM (IF APPLICABLE)

Act Number 431 of the Public Acts of 1984 permits the State of Michigan, Department of Management and Budget, to provide purchasing services to any city, village, county, township, school district, intermediate school district, nonprofit hospital, institution of higher learning, or community or junior colleges. As a result of the enactment of this legislation, the MiDEAL Program has been developed. This program extends the use of State contracts to program members. The State agency must enter into an agreement with the State of Michigan to become authorized to participate, thus ensuring that local units of State secure a greater return for the expenditure of public funds. It is the policy of Purchasing, Department of Management and Budget, that the final approval to utilize any such Contract in this manner must come from the Contract contractor.

In such cases, Contract Contractor supply merchandise at the established State of Michigan Contract prices and terms. Inasmuch as these are non-State agencies, all purchase orders will be submitted by, invoices will be billed to, and the authorized MiDEAL member on a direct and individual basis in accordance with Contract terms will remit payment.

2.3 Contract Rights and Obligations**2.301 INCURRING COSTS**

The State of Michigan is not liable for any cost incurred by the Contractor prior to signing of the Contract. The State fiscal year is October 1st through September 30th. The Contractor(s) should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations. Total liability of the State is limited to terms and conditions of the Contract.

2.302 CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of subcontractor, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve subcontractor and to require the Contractor to replace subcontractor found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract. Any change in subcontractor must be approved by the State, in writing, prior to such change.

2.303 ASSIGNMENT AND DELEGATION

The Contractor shall not have the right to assign this Contract, to assign its rights under this contract, or delegate any of its duties or obligations under the Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this Section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the Director of Purchasing.



The Contractor shall not delegate any duties or obligations under the Contract to a subcontractor other than a subcontractor named and approved in the bid unless the Director of Purchasing has given written consent to the delegation.

Contractor must obtain the approval of the Director of Purchasing before using a place of performance that is different from the address that Contractor provided in the bid.

2.304 TAXES

Sales Tax: For purchases made directly by the State of Michigan, the State is exempt from State and Local Sales Tax. Prices shall not include such taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

Federal Excise Tax: The State of Michigan may be exempt for Federal Excise Tax, or such taxes may be reimbursable, if articles purchased under this Contract are used for the State's exclusive use. Certificates exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent to the Contractor upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices shall not include the Federal Excise Tax.

The State's Tax Exempt Certification is available for contractor viewing upon request to the Contract Administrator.

2.305 INDEMNIFICATION

General Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

1. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractor under this Contract.
2. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the Contract;
3. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;
4. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractor, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
5. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractor in its or their capacity as an employer of a person.



Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractor, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, or any of its agents or employees, by any employee of the Contractor or any of its subcontractor, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractor under worker's disability compensation acts, disability benefits acts, or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in sub clauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other sub clause.

Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and affect not withstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

Indemnification Procedures

The procedures set forth below shall apply to all indemnity obligations under this Contract.

- (a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to so notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election").



After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.

- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the Defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan State or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan State or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.
- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

Response to Clarification Request 3 (other considerations)

States Request #3 (other considerations):

The State will not accept any exception to the State's Indemnification language as indicated in article 2.305 as well as to the article 2.306 (Limitation of Liability).

UPS Response #3 (other considerations)

UPS accepts the State's Indemnification language as indicated in article 2.305 as well as to the article 2.306 (Limitation of Liability).

2.306 LIMITATION OF LIABILITY

Except as set forth herein, neither the Contractor nor the State shall be liable to the other party for indirect or consequential damages, even if such party has been advised of the possibility of such damages. Such limitation as to indirect or consequential damages shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; to Contractor's indemnification obligations (2.305); or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor shall be limited to the value of the Contract.

**Response to Clarification Request 3 (other considerations)****States Request #3 (other considerations):**

The State will not accept any exception to the State's Indemnification language as indicated in article 2.305 as well as to the article 2.306 (Limitation of Liability).

UPS Response #3 (other considerations)

UPS accepts the State's Indemnification language as indicated in article 2.305 as well as to the article 2.306 (Limitation of Liability).

2.307 CONTRACT DISTRIBUTION

Purchasing shall retain the sole right of Contract distribution to all State agencies and local units of State unless other arrangements are authorized by Purchasing.

2.308 FORM, FUNCTION, AND UTILITY-RESERVED**2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION**

For and in consideration of the opportunity to submit a quotation and other good and valuable consideration, the Contractor hereby assigns, sells and transfers to the State of Michigan all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of payment and which relate solely to the particular goods, commodities, or services purchased or procured by this State pursuant to this transaction.

2.310 LIABILITY INSURANCE**A. Insurance**

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract.

All insurance coverage provided relative to this Contract/Purchase Order is PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance shall be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. Companies that have been approved to do business in the State shall issue all policies of insurance required in this Contract.

See www.michigan.gov/cis

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits.



Before both parties sign the Contract or before the purchase order is issued by the State, the Contractor must furnish to the Director of Purchasing, certificate(s) of insurance verifying insurance coverage ("Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) shall contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Purchasing, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Purchasing, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage may, at the State's sole option, result in this Contract's termination.

The Contractor is required to pay for and provide the type and amount of insurance checked **below**:

1. Commercial General Liability with the following minimum coverage:

\$2,000,000	General Aggregate Limit other than Products/Completed Operations
\$2,000,000	Products/Completed Operations Aggregate Limit
\$1,000,000	Personal & Advertising Injury Limit
\$1,000,000	Each Occurrence Limit
\$500,000	Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

3. Workers' compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If a self-insurer provides the applicable coverage, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

4. Employers liability insurance with the following minimum limits:

\$100,000	each accident
\$100,000	each employee by disease
\$500,000	aggregate disease



5. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.

B. SubContractor

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those subcontractors. Alternatively, Contractor may include any subcontractor under Contractor's insurance on the coverage required in this Section. Subcontractor(s) shall fully comply with the insurance coverage required in this Section. Failure of subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

C. Certificates of Insurance and Other Requirements

Contractor shall furnish to the Office of Purchasing certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds, but only to the extent of liabilities assumed by Contractor as set forth in Indemnification Section of this Contract, under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

Contractor shall maintain all required insurance coverage throughout the term of the Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least thirty (30) days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.

2.311 WORKPLACE SAFETY

1. In performing work under this Contract on State premises, the Contractor shall conform to any specific safety requirements contained in the Contract or as required by law or regulation. The Contractor shall take any additional precautions as the State may reasonably require for safety and accident prevention purposes. Any violation by the Contractor of such safety requirements, rules, laws or regulations shall be a material breach of the Contract subject to the cancellation provisions contained herein.



2. In performing services for the State pursuant to this Contract, the Contractor shall comply with Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service Regulations governing workplace safety and discriminatory harassment and any applicable state agency rules on these matters that the agency provides to the Contractor. Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at www.michigan.gov/mdcs.

2.312 WORKPLACE DISCRIMINATION

The Contractor represents and warrants that in performing services for the State pursuant to this Contract, the Contractor agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental handicap or disability. The Contractor further agrees that every subcontract entered into for the performance of any Contract or purchase order resulting here from will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2201, et seq., and the Persons With Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, et seq., and any breach thereof may be regarded as a material breach of the Contract or purchase order.

Contractor hereby represents that in performing this contract it will not violate The Civil Rights Act of 1964, USCS Chapter 42, including, but not limited to, Title VII, 42 USCS §§ 2000e et seq.; the Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.; or The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.; the Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626 et seq.; the Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.; or the Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.

2.313 RESERVED

2.314 WEBSITE INCORPORATION

State expressly states that it will not be bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of such content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representation of the State.

2.4 Contract Review and Evaluation

2.401 CONTRACT COMPLIANCE INSPECTOR

Upon receipt at Purchasing of the properly executed Contract Agreement(s), the person named below will be allowed to oversee the Contract performance on a day-to-day basis during the term of the Contract. However, overseeing the Contract implies **no authority to negotiate, change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such Contract(s). That authority is retained by Purchasing.** The Contract Compliance Inspector for this project is: Steve Cheal. (See 1.003 Project Control).

2.402 PERFORMANCE REVIEWS

Purchasing in conjunction with the Michigan Department of Natural Resources may review with the Contractor their performance under the Contract. Performance reviews shall be conducted quarterly, semi-annually or annually depending on Contractor's past performance with the State. Performance reviews shall include, but not limited to, quality of products/services being delivered and provided, timeliness of delivery, percentage of completion of orders, the amount of back orders, status of such orders, accuracy of billings, customer service, completion and submission of required paperwork, the number of substitutions and the reasons for substitutions, and other requirements of the Contract.



Upon a finding of poor performance, which has been documented by Purchasing, the Contractor shall be given an opportunity to respond and take corrective action. If corrective action is not taken in a reasonable amount of time as determined by Purchasing, the Contract may be canceled for default. Delivery by the Contractor of unsafe and/or adulterated or off-condition products to any State agency is considered a material breach of Contract subject to the cancellation provisions contained herein.

2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS

The Contractor agrees that the State may, upon 24-hour notice, perform an audit at Contractor's location(s) to determine if the Contractor is complying with the requirements of the Contract. The Contractor agrees to cooperate with the State during the audit and produce all records and documentation that verifies compliance with the Contract requirements.

2.5 Quality and Warranties

2.501 PROHIBITED PRODUCTS

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Purchasing has approved a change.

2.502 QUALITY ASSURANCE

The State reserves the right to periodically test products, which have been received to verify compliance with specifications. If laboratory analysis shows that the product does not meet specifications or fails to perform satisfactorily at any time, the Contractor shall be responsible for:

1. All costs of testing and laboratory analysis.
2. Disposal and/or replacement of all products which fail to meet specifications.
3. All costs of repair and/or replacement of equipment deemed to have been damaged by substandard products as determined by the State.

2.503 INSPECTION

All goods are subject to inspection and testing. In the event goods are defective in material or workmanship, or otherwise fail to meet the requirements of the Contract, the State shall have the right to reject the goods or retain the goods and correct the defects. The Contractor shall pay the State for expenses incurred in correcting defects. Rejected goods will be held for 45 days after delivery. The Contractor must arrange for the return of said goods, including paying for handling, packing, and transportation costs. The State has the authority to dispose of the goods without further liability to the State in the event the Contractor fails to make arrangements within the specified time period.

2.504 GENERAL WARRANTIES (goods) - RESERVED

2.505 CONTRACTOR WARRANTIES-RESERVED

2.506 STAFF-RESERVED

2.507 RESERVED

2.508 EQUIPMENT WARRANTY-RESERVED

2.509 RESERVED

**2.6 Breach of Contract****2.601 BREACH DEFINED**

Failure to comply with articles, sections, or subsections of this agreement, or making any false statement in this agreement will be considered a material breach of this agreement giving the state authority to invoke any and all remedies available to it under this agreement.

In addition to any remedies available in law and by the terms of this contract, if the Contractor breaches Sections 2.508, 2.509, or 2.510, such a breach may be considered as a default in the performance of a material obligation of this contract.

2.602 NOTICE AND THE RIGHT TO CURE

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.

2.603 EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its subcontractor are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.
2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable hereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractor will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.



2.7 Remedies

2.701 CANCELLATION

The State may cancel this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents, and employees for any of the following reasons:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess re-procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.

In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.
3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.



5. Approvals Rescinded. The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 7. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

2.702 RIGHTS UPON CANCELLATION

Termination Assistance. If this Contract (or any Statement of Work issued under it) is terminated for any reason prior to completion, Contractor agrees to provide for up to six (6) months after the termination all reasonable termination assistance requested by the State to facilitate the orderly transfer of such Services to the State or its designees in a manner designed to minimize interruption and adverse effect. Such termination assistance will be deemed by the parties to be governed by the terms and conditions of this Contract (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance. Such termination assistance shall be at no additional charge to the State if the termination is for Contractor's Default pursuant to Section 2.602; otherwise the State shall compensate Contractor for such termination assistance on a time and materials basis in accordance with the Amendment Labor Rates identified within this Contract agreement.

2.703 LIQUIDATED DAMAGES-RESERVED

2.704 STOP WORK-RESERVED

2.705 SUSPENSION OF WORK-RESERVED

2.8 Changes, Modifications, and Amendments

2.801 APPROVALS

The Contract may not be modified, amended, extended, or augmented except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

2.802 TIME EXTENTIONS

Time extensions for contract changes will depend upon the extent, if any, by which the changes cause delay in the completion of the various elements of performance as described in the statement of work. The change order granting the time extension may provide that the contract completion date will be extended only for those specific elements related to the changed work and that the remaining contract completion dates for all other portions of the work will not be altered. The change order also may provide an equitable readjustment of liquidated damages under the new completion schedule.

2.803 MODIFICATION

Purchasing reserves the right to modify this contract at any time during the contract term. Such modification may include changing the locations to be serviced, additional locations to be serviced, method or manner of performance of the work, number of days service is to be performed, addition or deletion of tasks to be performed, addition or deletion of items, and/or any other modifications deemed necessary. Any changes in pricing proposed by the Contractor resulting from the proposed changes are subject to acceptance by the State. Changes may be increases or decreases. **IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATION.**

The State reserves the right to add an item(s) that is not described on the item listing and is available from the Contract contractor. The item(s) may be included on the Contract, only if prior written approval has been granted by Purchasing.

**2.804 AUDIT AND RECORDS UPON MODIFICATION**

DEFINITION: records includes books, documents, accounting procedures and practices, and other data, regardless of whether such items are in written form, electronic form, or in any other form

Contractor shall be required to submit cost or pricing data with the pricing of any modification of this contract to the Contract Administrator in Purchasing. Data may include accounting records, payroll records, employee time sheets, and other information the state deems necessary to perform a fair evaluation of the modification proposal. Contract Administrator or authorized representative of the state shall have the right to examine and audit all of the contractor's records, including computations and projections, related to:

1. The proposal for modification;
2. The discussions conducted on the proposal, including those related to negotiation;
3. Pricing of the modification; or
4. Performance of the modification.

Contractor shall make available at its office at all reasonable times the materials described in the paragraphs above.

If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement.

2.805 CHANGES

- (a) The Contract Administrator may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the work within the general scope of the contract, including changes:
 - (1) In the specifications (including drawings and designs);
 - (2) In the method or manner of performance of the work;
 - (3) In the State-furnished facilities, equipment, materials, services, or site; or
 - (4) Directing acceleration in the performance of the work.
- (a) Any other written or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contract Administrator that causes a change shall be treated as a change order under this clause; Provided, that the Contractor gives the Contract Administrator written notice stating:
 - (1) The date, circumstances, and source of the order; and
 - (2) That the Contractor regards the order as a change order.
- (b) Except as provided in this clause, no order, statement, or conduct of the Contract Administrator shall be treated as a change under this clause or entitle the Contractor to an equitable adjustment.



State of Michigan
Next Day Air Service
 (Per Package Rates from 48 State Origin)
 P860016481

Commercial Rates

Lbs.	Zone 102	Zone 103	Zone 104	Zone 105	Zone 106	Zone 107	Zone 108	AK HI Zone 124	PR Zone 125	AK + Zone 126
Letter	\$5.64	\$6.60	\$7.48	\$7.88	\$8.10	\$8.64	\$8.94	\$9.34	\$9.34	\$9.90
1	\$6.47	\$8.60	\$10.53	\$11.70	\$12.69	\$13.46	\$13.83	\$14.25	\$14.25	\$14.35
2	\$6.83	\$9.38	\$11.88	\$12.95	\$14.35	\$14.82	\$15.41	\$15.54	\$15.54	\$15.64
3	\$7.61	\$9.87	\$13.14	\$14.33	\$15.91	\$16.28	\$16.85	\$17.34	\$17.34	\$19.46
4	\$8.19	\$10.32	\$14.25	\$15.70	\$17.57	\$17.73	\$18.43	\$18.92	\$18.92	\$21.27
5	\$8.39	\$10.86	\$15.56	\$17.16	\$18.82	\$19.19	\$19.87	\$20.46	\$20.46	\$22.91
6	\$9.03	\$11.39	\$16.85	\$18.51	\$20.38	\$20.55	\$21.45	\$21.94	\$21.94	\$24.73
7	\$9.44	\$11.95	\$18.04	\$19.87	\$21.82	\$22.13	\$22.89	\$23.38	\$23.38	\$26.48
8	\$9.61	\$12.52	\$19.19	\$21.14	\$23.28	\$23.67	\$24.36	\$24.82	\$24.82	\$27.83
9	\$9.91	\$13.10	\$20.26	\$22.50	\$24.73	\$25.23	\$25.92	\$26.38	\$26.38	\$29.68
10	\$9.93	\$13.69	\$21.22	\$23.67	\$26.19	\$26.70	\$27.48	\$27.94	\$27.94	\$31.40
11	\$10.67	\$14.25	\$22.33	\$24.94	\$27.65	\$28.26	\$28.94	\$29.48	\$29.48	\$32.88
12	\$11.08	\$14.84	\$23.52	\$26.11	\$29.02	\$29.82	\$30.50	\$30.95	\$30.95	\$33.64
13	\$11.25	\$15.41	\$24.63	\$27.30	\$30.17	\$31.38	\$31.96	\$32.49	\$32.49	\$34.61
14	\$11.70	\$15.97	\$25.90	\$28.45	\$31.34	\$32.74	\$33.52	\$33.95	\$33.95	\$35.61
15	\$12.07	\$16.56	\$26.77	\$29.62	\$32.49	\$33.81	\$34.79	\$35.30	\$35.30	\$36.70
16	\$12.30	\$17.12	\$28.06	\$30.69	\$33.56	\$34.69	\$35.67	\$36.37	\$36.37	\$38.18
17	\$12.83	\$17.69	\$28.84	\$31.67	\$34.34	\$35.47	\$36.45	\$37.19	\$37.19	\$39.29
18	\$13.24	\$18.27	\$29.72	\$32.35	\$35.10	\$36.25	\$37.42	\$38.08	\$38.08	\$40.91
19	\$13.53	\$18.74	\$30.40	\$33.03	\$35.90	\$37.03	\$38.40	\$39.35	\$39.35	\$42.02
20	\$13.96	\$19.32	\$31.18	\$33.81	\$36.66	\$37.91	\$39.27	\$40.13	\$40.13	\$44.85
21	\$14.24	\$19.71	\$31.86	\$34.69	\$37.44	\$38.69	\$40.35	\$41.07	\$41.07	\$46.08
22	\$14.64	\$20.18	\$32.64	\$35.47	\$38.22	\$39.57	\$41.22	\$41.96	\$41.96	\$47.17
23	\$14.96	\$20.57	\$33.42	\$36.35	\$39.10	\$40.44	\$42.18	\$43.11	\$43.11	\$47.95
24	\$15.27	\$20.94	\$34.30	\$37.26	\$40.15	\$41.30	\$43.06	\$43.93	\$43.93	\$48.91
25	\$15.70	\$21.43	\$35.18	\$38.03	\$41.22	\$42.30	\$43.93	\$45.28	\$45.28	\$49.90
26	\$15.99	\$21.88	\$36.13	\$38.96	\$42.30	\$43.37	\$44.83	\$46.00	\$46.00	\$50.78
27	\$16.30	\$22.29	\$37.03	\$40.07	\$43.45	\$44.32	\$45.71	\$46.94	\$46.94	\$51.64
28	\$16.71	\$22.78	\$38.01	\$41.22	\$44.32	\$45.20	\$46.68	\$47.81	\$47.81	\$52.75
29	\$17.02	\$23.15	\$38.98	\$42.10	\$45.30	\$46.20	\$47.66	\$48.59	\$48.59	\$53.98
30	\$17.22	\$23.54	\$39.76	\$43.06	\$46.18	\$47.07	\$48.73	\$49.47	\$49.47	\$54.95
31	\$17.63	\$24.00	\$40.64	\$44.05	\$47.13	\$48.03	\$49.61	\$50.33	\$50.33	\$55.95
32	\$18.15	\$24.57	\$41.52	\$45.01	\$48.11	\$49.02	\$50.54	\$51.30	\$51.30	\$57.17
33	\$18.56	\$25.17	\$42.30	\$46.00	\$49.08	\$50.10	\$51.69	\$52.47	\$52.47	\$58.42
34	\$18.97	\$25.58	\$43.25	\$46.96	\$50.13	\$51.17	\$52.75	\$53.55	\$53.55	\$59.53
35	\$19.56	\$26.03	\$44.25	\$47.95	\$51.11	\$52.24	\$53.80	\$54.62	\$54.62	\$60.74
36	\$20.03	\$26.44	\$45.16	\$48.91	\$52.08	\$53.39	\$54.85	\$55.67	\$55.67	\$62.11
37	\$20.07	\$27.20	\$46.06	\$49.90	\$53.14	\$54.58	\$56.00	\$56.84	\$56.84	\$63.08
38	\$20.38	\$27.65	\$46.88	\$50.76	\$54.13	\$55.83	\$57.06	\$57.90	\$57.90	\$64.33
39	\$21.04	\$28.12	\$47.76	\$51.73	\$55.19	\$57.00	\$58.21	\$59.07	\$59.07	\$65.68
40	\$21.43	\$28.61	\$48.61	\$52.71	\$56.16	\$58.07	\$59.36	\$60.24	\$60.24	\$66.92
41	\$21.72	\$29.17	\$49.49	\$53.68	\$57.21	\$59.05	\$60.51	\$61.41	\$61.41	\$68.41
42	\$22.04	\$29.74	\$50.49	\$54.66	\$58.38	\$60.43	\$61.74	\$62.65	\$62.65	\$69.50
43	\$22.62	\$30.32	\$51.44	\$55.63	\$59.46	\$61.39	\$63.00	\$63.92	\$63.92	\$70.63
44	\$23.13	\$30.91	\$52.32	\$56.61	\$60.53	\$62.46	\$64.33	\$65.29	\$65.29	\$71.97
45	\$23.63	\$31.57	\$53.25	\$57.58	\$61.70	\$63.53	\$65.38	\$66.34	\$66.34	\$73.34
46	\$24.08	\$32.23	\$54.19	\$58.56	\$62.85	\$64.60	\$66.51	\$67.51	\$67.51	\$74.30
47	\$24.49	\$32.90	\$55.15	\$59.44	\$64.02	\$65.58	\$67.57	\$68.58	\$68.58	\$75.52
48	\$24.67	\$33.56	\$55.93	\$60.43	\$65.19	\$66.75	\$68.84	\$69.85	\$69.85	\$76.52
49	\$25.23	\$34.34	\$56.80	\$61.48	\$66.46	\$67.82	\$70.06	\$71.10	\$71.10	\$77.03
50	\$25.66	\$35.02	\$57.58	\$62.46	\$67.61	\$68.99	\$71.19	\$72.27	\$72.27	\$77.06



State of Michigan
Next Day Air Service
 (Per Package Rates from 48 State Origin)
 P860016481

Commercial Rates

Lbs.	Commercial Rates							AK, HI	PR	AK +
	Zone 102	Zone 103	Zone 104	Zone 105	Zone 106	Zone 107	Zone 108	Zone 124	Zone 125	Zone 126
51	\$26.19	\$35.76	\$58.48	\$63.34	\$68.78	\$70.16	\$72.74	\$73.81	\$73.81	\$80.85
52	\$26.60	\$36.54	\$59.36	\$64.31	\$69.93	\$71.33	\$74.18	\$75.27	\$75.27	\$82.33
53	\$27.11	\$37.11	\$60.24	\$65.38	\$71.19	\$72.50	\$75.41	\$76.54	\$76.54	\$83.67
54	\$27.53	\$37.87	\$61.19	\$66.26	\$72.27	\$73.87	\$76.83	\$77.98	\$77.98	\$85.04
55	\$27.96	\$38.55	\$62.38	\$67.14	\$73.34	\$75.11	\$77.98	\$79.15	\$79.15	\$86.15
56	\$28.47	\$39.31	\$63.53	\$68.02	\$74.49	\$76.50	\$79.23	\$80.42	\$80.42	\$86.17
57	\$29.02	\$39.99	\$64.70	\$68.89	\$75.56	\$77.77	\$80.57	\$81.76	\$81.76	\$89.10
58	\$29.66	\$40.66	\$65.87	\$69.87	\$76.73	\$79.13	\$82.00	\$83.23	\$83.23	\$90.85
59	\$30.07	\$41.32	\$67.04	\$70.94	\$77.88	\$80.40	\$83.46	\$84.69	\$84.69	\$91.18
60	\$30.67	\$41.98	\$68.14	\$71.92	\$79.15	\$81.74	\$84.53	\$85.78	\$85.78	\$91.44
61	\$31.20	\$42.76	\$69.26	\$73.16	\$80.42	\$83.03	\$86.31	\$87.57	\$87.57	\$94.75
62	\$31.94	\$43.52	\$70.34	\$74.55	\$81.67	\$84.38	\$87.63	\$88.94	\$88.94	\$97.25
63	\$32.47	\$44.38	\$71.53	\$75.62	\$83.03	\$85.84	\$89.08	\$90.40	\$90.40	\$98.94
64	\$33.09	\$45.24	\$72.70	\$76.89	\$84.38	\$87.32	\$90.52	\$91.86	\$91.86	\$100.58
65	\$33.62	\$46.10	\$73.77	\$78.14	\$85.74	\$88.86	\$91.86	\$93.21	\$93.21	\$102.30
66	\$34.26	\$46.96	\$74.94	\$79.40	\$87.11	\$90.34	\$93.39	\$94.77	\$94.77	\$103.64
67	\$34.79	\$47.83	\$76.01	\$80.79	\$88.57	\$91.88	\$95.00	\$96.41	\$96.41	\$105.38
68	\$35.49	\$48.69	\$77.18	\$82.15	\$89.91	\$93.25	\$96.54	\$97.97	\$97.97	\$107.09
69	\$36.13	\$49.55	\$78.33	\$83.50	\$91.26	\$94.71	\$98.16	\$99.61	\$99.61	\$108.83
70	\$36.78	\$50.41	\$79.52	\$84.77	\$92.72	\$96.08	\$99.51	\$100.97	\$100.97	\$110.45
71	\$37.28	\$51.36	\$80.59	\$86.13	\$94.09	\$97.34	\$101.32	\$102.82	\$102.82	\$112.05
72	\$37.77	\$52.24	\$81.74	\$87.52	\$95.53	\$98.81	\$102.65	\$104.17	\$104.17	\$113.88
73	\$38.38	\$53.18	\$82.91	\$88.86	\$96.90	\$100.17	\$104.09	\$105.63	\$105.63	\$115.25
74	\$38.96	\$54.03	\$83.99	\$90.23	\$98.26	\$101.54	\$105.53	\$107.09	\$107.09	\$116.84
75	\$39.47	\$55.01	\$85.18	\$91.49	\$99.70	\$102.90	\$106.96	\$108.54	\$108.54	\$118.81
76	\$40.17	\$55.87	\$86.25	\$92.86	\$101.07	\$104.27	\$108.38	\$109.98	\$109.98	\$120.41
77	\$40.77	\$56.73	\$87.40	\$94.13	\$102.34	\$105.63	\$109.82	\$111.44	\$111.44	\$122.03
78	\$41.36	\$57.58	\$88.47	\$95.30	\$103.70	\$107.00	\$111.25	\$112.91	\$112.91	\$123.65
79	\$42.06	\$58.34	\$89.66	\$96.56	\$105.05	\$108.44	\$112.71	\$114.37	\$114.37	\$125.46
80	\$42.67	\$59.20	\$90.81	\$97.73	\$106.29	\$109.71	\$114.13	\$115.81	\$115.81	\$127.20
81	\$43.19	\$60.06	\$91.98	\$99.00	\$107.66	\$111.09	\$115.54	\$117.25	\$117.25	\$128.80
82	\$43.88	\$60.84	\$93.05	\$100.27	\$109.02	\$112.53	\$116.88	\$118.62	\$118.62	\$131.53
83	\$44.44	\$61.60	\$94.22	\$101.44	\$110.37	\$113.92	\$118.42	\$120.18	\$120.18	\$132.99
84	\$44.85	\$62.26	\$95.39	\$102.61	\$111.66	\$115.28	\$119.77	\$121.54	\$121.54	\$134.37
85	\$45.36	\$63.02	\$96.47	\$103.88	\$113.00	\$116.63	\$121.19	\$122.99	\$122.99	\$136.19
86	\$45.86	\$63.80	\$97.64	\$105.05	\$114.37	\$117.99	\$122.64	\$124.45	\$124.45	\$137.57
87	\$46.45	\$64.56	\$98.71	\$106.29	\$115.62	\$119.38	\$124.06	\$125.89	\$125.89	\$139.27
88	\$46.94	\$65.34	\$99.88	\$107.48	\$116.98	\$120.72	\$125.50	\$127.35	\$127.35	\$141.00
89	\$47.48	\$66.01	\$101.05	\$108.75	\$118.33	\$122.09	\$126.93	\$128.82	\$128.82	\$142.47
90	\$47.95	\$66.77	\$102.12	\$109.92	\$119.61	\$123.47	\$128.37	\$130.26	\$130.26	\$144.34
91	\$49.06	\$67.55	\$103.29	\$111.19	\$120.94	\$124.82	\$129.81	\$131.72	\$131.72	\$147.07
92	\$49.59	\$68.29	\$104.46	\$112.46	\$122.30	\$126.18	\$131.24	\$133.17	\$133.17	\$148.79
93	\$50.06	\$69.05	\$105.53	\$113.61	\$123.67	\$127.57	\$132.66	\$134.63	\$134.63	\$150.52
94	\$50.56	\$69.73	\$106.70	\$114.87	\$124.94	\$128.91	\$134.00	\$135.97	\$135.97	\$152.20
95	\$50.97	\$70.49	\$107.87	\$116.04	\$126.28	\$130.28	\$135.54	\$137.53	\$137.53	\$153.89
96	\$51.48	\$71.18	\$108.95	\$117.31	\$127.65	\$131.74	\$136.87	\$138.90	\$138.90	\$155.49
97	\$51.95	\$71.94	\$110.12	\$118.50	\$129.01	\$133.11	\$138.31	\$140.34	\$140.34	\$157.03
98	\$52.47	\$72.72	\$111.27	\$119.77	\$130.26	\$134.37	\$139.76	\$141.80	\$141.80	\$158.52
99	\$53.10	\$73.46	\$112.34	\$120.92	\$131.63	\$135.84	\$141.16	\$143.27	\$143.27	\$159.88
100	\$53.29	\$74.02	\$113.37	\$121.95	\$132.68	\$136.97	\$142.33	\$144.48	\$144.48	\$159.90



State of Michigan
Next Day Air Service
 (Per Package Rates from 48 State Origin)
 P860016481

Commercial Rates

Lbs.	Commercial Rates								AK, HI	PR	AK +
	Zone 102	Zone 103	Zone 104	Zone 105	Zone 106	Zone 107	Zone 108	Zone 124	Zone 125	Zone 126	
101	\$53.82	\$74.76	\$114.50	\$123.16	\$134.00	\$138.33	\$143.75	\$145.92	\$145.92	\$161.54	
102	\$54.35	\$75.50	\$115.64	\$124.39	\$135.33	\$139.70	\$145.18	\$147.36	\$147.36	\$163.16	
103	\$54.89	\$76.25	\$116.77	\$125.60	\$136.66	\$141.08	\$146.60	\$148.80	\$148.80	\$164.78	
104	\$55.42	\$76.99	\$117.90	\$126.83	\$137.98	\$142.45	\$148.02	\$150.25	\$150.25	\$166.39	
105	\$55.95	\$77.73	\$119.03	\$128.04	\$139.31	\$143.81	\$149.45	\$151.69	\$151.69	\$168.01	
106	\$56.49	\$78.47	\$120.16	\$129.27	\$140.63	\$145.18	\$150.87	\$153.13	\$153.13	\$169.65	
107	\$57.02	\$79.21	\$121.29	\$130.47	\$141.96	\$146.54	\$152.30	\$154.60	\$154.60	\$171.27	
108	\$57.54	\$79.95	\$122.44	\$131.70	\$143.29	\$147.93	\$153.72	\$156.04	\$156.04	\$172.89	
109	\$58.09	\$80.69	\$123.57	\$132.91	\$144.61	\$149.29	\$155.14	\$157.48	\$157.48	\$174.51	
110	\$58.62	\$81.43	\$124.70	\$134.14	\$145.94	\$150.66	\$156.57	\$158.93	\$158.93	\$176.12	
111	\$59.14	\$82.17	\$125.83	\$135.37	\$147.26	\$152.02	\$157.99	\$160.37	\$160.37	\$177.76	
112	\$59.69	\$82.91	\$126.96	\$136.58	\$148.59	\$153.41	\$159.41	\$161.81	\$161.81	\$179.38	
113	\$60.22	\$83.66	\$128.10	\$137.81	\$149.92	\$154.77	\$160.84	\$163.25	\$163.25	\$181.00	
114	\$60.74	\$84.40	\$129.23	\$139.02	\$151.24	\$156.14	\$162.26	\$164.70	\$164.70	\$182.62	
115	\$61.29	\$85.14	\$130.38	\$140.24	\$152.57	\$157.50	\$163.68	\$166.14	\$166.14	\$184.24	
116	\$61.82	\$85.88	\$131.51	\$141.45	\$153.89	\$158.89	\$165.11	\$167.58	\$167.58	\$185.87	
117	\$62.34	\$86.62	\$132.64	\$142.68	\$155.22	\$160.25	\$166.53	\$169.03	\$169.03	\$187.49	
118	\$62.89	\$87.36	\$133.77	\$143.89	\$156.55	\$161.62	\$167.95	\$170.47	\$170.47	\$189.11	
119	\$63.41	\$88.10	\$134.90	\$145.12	\$157.87	\$162.98	\$169.38	\$171.93	\$171.93	\$190.73	
120	\$63.94	\$88.84	\$136.03	\$146.33	\$159.20	\$164.37	\$170.80	\$173.37	\$173.37	\$192.35	
121	\$64.49	\$89.58	\$137.16	\$147.56	\$160.54	\$165.73	\$172.22	\$174.82	\$174.82	\$193.99	
122	\$65.01	\$90.30	\$138.29	\$148.77	\$161.87	\$167.10	\$173.65	\$176.26	\$176.26	\$195.60	
123	\$65.54	\$91.05	\$139.44	\$149.99	\$163.20	\$168.46	\$175.07	\$177.70	\$177.70	\$197.22	
124	\$66.09	\$91.79	\$140.58	\$151.20	\$164.52	\$169.83	\$176.49	\$179.15	\$179.15	\$198.84	
125	\$66.61	\$92.53	\$141.71	\$152.43	\$165.85	\$171.21	\$177.92	\$180.59	\$180.59	\$200.46	
126	\$67.14	\$93.27	\$142.84	\$153.66	\$167.17	\$172.58	\$179.34	\$182.03	\$182.03	\$202.10	
127	\$67.67	\$94.01	\$143.97	\$154.87	\$168.50	\$173.94	\$180.77	\$183.48	\$183.48	\$203.72	
128	\$68.21	\$94.75	\$145.10	\$156.10	\$169.83	\$175.31	\$182.19	\$184.92	\$184.92	\$205.34	
129	\$68.74	\$95.49	\$146.23	\$157.31	\$171.15	\$176.69	\$183.59	\$186.36	\$186.36	\$206.95	
130	\$69.26	\$96.23	\$147.36	\$158.54	\$172.48	\$178.05	\$185.02	\$187.82	\$187.82	\$208.57	
131	\$69.81	\$96.97	\$148.51	\$159.74	\$173.80	\$179.42	\$186.44	\$189.27	\$189.27	\$210.21	
132	\$70.34	\$97.71	\$149.64	\$160.97	\$175.13	\$180.78	\$187.86	\$190.71	\$190.71	\$211.83	
133	\$70.86	\$98.46	\$150.77	\$162.18	\$176.46	\$182.17	\$189.29	\$192.15	\$192.15	\$213.45	
134	\$71.41	\$99.20	\$151.91	\$163.41	\$177.78	\$183.53	\$190.71	\$193.60	\$193.60	\$215.07	
135	\$71.94	\$99.94	\$153.04	\$164.62	\$179.11	\$184.90	\$192.13	\$195.04	\$195.04	\$216.68	
136	\$72.46	\$100.68	\$154.17	\$165.85	\$180.43	\$186.26	\$193.56	\$196.48	\$196.48	\$218.32	
137	\$73.01	\$101.42	\$155.30	\$167.06	\$181.76	\$187.65	\$194.98	\$197.93	\$197.93	\$219.94	
138	\$73.53	\$102.16	\$156.45	\$168.29	\$183.09	\$189.01	\$196.40	\$199.37	\$199.37	\$221.56	
139	\$74.06	\$102.90	\$157.58	\$169.49	\$184.41	\$190.38	\$197.83	\$200.81	\$200.81	\$223.18	
140	\$74.61	\$103.64	\$158.71	\$170.72	\$185.74	\$191.74	\$199.25	\$202.25	\$202.25	\$224.80	
141	\$75.13	\$104.38	\$159.84	\$171.93	\$187.06	\$193.11	\$200.67	\$203.70	\$203.70	\$226.43	
142	\$75.66	\$105.12	\$160.97	\$173.16	\$188.39	\$194.49	\$202.10	\$205.16	\$205.16	\$228.05	
143	\$76.21	\$105.87	\$162.10	\$174.39	\$189.72	\$195.86	\$203.52	\$206.60	\$206.60	\$229.67	
144	\$76.73	\$106.61	\$163.23	\$175.60	\$191.04	\$197.22	\$204.95	\$208.05	\$208.05	\$231.29	
145	\$77.26	\$107.35	\$164.37	\$176.83	\$192.37	\$198.59	\$206.37	\$209.49	\$209.49	\$232.91	
146	\$77.81	\$108.09	\$165.52	\$178.04	\$193.69	\$199.97	\$207.79	\$210.93	\$210.93	\$234.55	
147	\$78.33	\$108.81	\$166.65	\$179.26	\$195.02	\$201.34	\$209.22	\$212.37	\$212.37	\$236.16	
148	\$78.86	\$109.55	\$167.78	\$180.47	\$196.35	\$202.70	\$210.64	\$213.82	\$213.82	\$237.78	
149	\$79.40	\$110.29	\$168.91	\$181.70	\$197.67	\$204.07	\$212.06	\$215.26	\$215.26	\$239.40	
150	\$79.93	\$111.03	\$170.04	\$182.91	\$199.00	\$205.45	\$213.49	\$216.70	\$216.70	\$241.02	
Multiplier	\$0.54	\$0.75	\$1.14	\$1.22	\$1.33	\$1.37	\$1.43	\$1.45	\$1.45	\$1.61	



State of Michigan Incentives

Next Day Air Service

(Per Package Rates from 48 State Origin)

Commercial Rates

Lbs.	Zone 102 - Zone 108							AK, HI	PR	AK +
	Zone 102	Zone 103	Zone 104	Zone 105	Zone 106	Zone 107	Zone 108	Zone 124	Zone 125	Zone 126
47	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
48	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
49	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
50	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
51	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
52	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
53	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
54	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
55	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
56	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
57	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
58	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
59	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
60	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
61	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
62	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
63	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
64	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
65	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
66	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
67	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
68	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
69	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
70	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
71	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
72	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
73	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
74	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
75	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
76	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
77	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
78	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
79	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
80	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
81	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
82	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
83	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
84	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
85	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
86	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
87	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
88	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
89	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
90	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
91	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
92	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
93	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%



State of Michigan Incentives

Next Day Air Service

(Per Package Rates from 48 State Origin)

Commercial Rates

Lbs.	Zone							AK, HI	PR	AK +
	Zone 102	Zone 103	Zone 104	Zone 105	Zone 106	Zone 107	Zone 108	Zone 124	Zone 125	Zone 126
94	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
95	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
96	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
97	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
98	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
99	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
100	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
101	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
102	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
103	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
104	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
105	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
106	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
107	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
108	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
109	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
110	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
111	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
112	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
113	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
114	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
115	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
116	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
117	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
118	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
119	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
120	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
121	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
122	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
123	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
124	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
125	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
126	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
127	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
128	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
129	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
130	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
131	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
132	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
133	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
134	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
135	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
136	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
137	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
138	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
139	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
140	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%



State of Michigan Incentives

Next Day Air Service

(Per Package Rates from 48 State Origin)

Commercial Rates

Lbs.	Commercial Rates							AK, HI	PR	AK +
	Zone 102	Zone 103	Zone 104	Zone 105	Zone 106	Zone 107	Zone 108	Zone 124	Zone 125	Zone 126
141	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
142	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
143	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
144	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
145	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
146	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
147	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
148	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
149	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
150	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
Multiplier	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%



State of Michigan Incentives

Next Day Air Service

(Per Package Rates from 48 State Origin)

Residential Rates

Lbs.	Zone 102	Zone 103	Zone 104	Zone 105	Zone 106	Zone 107	Zone 108	AK, HI Zone 124	PR Zone 125	AK+ Zone 126
Letter	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
1	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
2	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
3	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
4	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
5	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
6	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
7	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
8	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
9	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
10	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
11	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
12	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
13	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
14	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
15	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
16	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
17	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
18	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
19	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
20	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
21	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
22	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
23	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
24	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
25	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
26	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
27	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
28	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
29	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
30	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
31	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
32	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
33	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
34	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
35	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
36	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
37	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
38	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
39	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
40	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
41	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
42	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
43	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
44	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
45	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
46	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%



State of Michigan Incentives

Next Day Air Service

(Per Package Rates from 48 State Origin)

Residential Rates

Lbs.	Zone							AK, HI	PR	AK+
	Zone 102	Zone 103	Zone 104	Zone 105	Zone 106	Zone 107	Zone 108	Zone 124	Zone 125	Zone 126
47	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
48	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
49	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
50	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
51	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
52	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
53	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
54	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
55	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
56	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
57	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
58	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
59	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
60	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
61	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
62	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
63	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
64	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
65	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
66	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
67	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
68	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
69	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
70	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
71	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
72	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
73	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
74	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
75	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
76	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
77	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
78	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
79	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
80	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
81	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
82	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
83	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
84	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
85	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
86	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
87	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
88	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
89	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
90	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
91	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
92	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
93	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%



State of Michigan Incentives

Next Day Air Service

(Per Package Rates from 48 State Origin)

Residential Rates

Lbs.	Zone							AK, HI	PR	AK +
	Zone 102	Zone 103	Zone 104	Zone 105	Zone 106	Zone 107	Zone 108	Zone 124	Zone 125	Zone 126
94	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
95	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
96	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
97	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
98	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
99	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
100	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
101	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
102	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
103	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
104	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
105	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
106	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
107	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
108	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
109	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
110	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
111	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
112	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
113	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
114	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
115	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
116	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
117	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
118	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
119	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
120	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
121	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
122	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
123	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
124	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
125	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
126	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
127	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
128	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
129	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
130	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
131	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
132	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
133	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
134	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
135	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
136	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
137	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
138	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
139	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
140	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%



State of Michigan Incentives

Next Day Air Service

(Per Package Rates from 48 State Origin)

Residential Rates

Lbs.	Zone							AK, HI	PR	AK+
	Zone 102	Zone 103	Zone 104	Zone 105	Zone 106	Zone 107	Zone 108	Zone 124	Zone 125	Zone 126
141	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
142	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
143	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
144	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
145	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
146	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
147	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
148	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
149	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
150	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
Multiplier *	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%



UPS Accessorial Charges

DOMESTIC

Additional Handling		\$6.50	Applies to the following: Any article encased in wood or metal container. Any cylindrical item not fully encased in cardboard container, any package with longest side exceeding 60" or second side exceeding 30", any package with actual weight over 70 lbs., any package that in UPS' sole discretion, requires special handling.
Address Correction - Ground		6.00 \$35 Max	IF UPS is unable to deliver a package as addressed by shipper or if package has invalid, incorrect or incomplete address, UPS will make reasonable effort to correct or complete address and notify customer once secured. Maximum charge is for package with the same address.
Address Correction - Air		\$10.00 \$70 Max	IF UPS is unable to deliver a package as addressed by shipper or if package has invalid, incorrect or incomplete address, UPS will make reasonable effort to correct or complete address and notify customer once secured. Maximum charge is for package with the same address.
Chargeback for Consignee Billing Shipment		\$10.00	If shipper ships a package to unauthorized consignee, shipper will be assessed a fee per package in addition to transportation charges.
COD		\$9.00	Cash on delivery charge
COD - Automatic		Avail. Thru UPS Capital	Contracted service
COD - Secure		Avail. Thru UPS Capital	Contracted service
Declared Value		\$0.60 per \$100 (\$1.80 min)	Protection up to \$5000 on package
Delivery Area Surcharge -- Residential		\$2.30	Applies to residential packages delivered to certain zip codes within 48 contiguous states
Delivery Area Surcharge -- Commercial		\$1.50	Applies to commercial packages delivered to certain zip codes within 48 contiguous states
Delivery Area Surcharge -- Hundredweight		\$7.50 (per shipment)	Applies to CWT shipments delivered to certain zip codes within 48 contiguous states
Delivery Confirmation		\$1.50	Printed confirmation of delivery will be mailed, without a signature
Delivery Confirmation - Signature		\$2.50	Printed confirmation of delivery plus a signature
Delivery Confirmation - Adult Signature		\$3.50	Printed confirmation of delivery plus signature of adult 21 or older.
Dimensional Weight Factor		194	Factor which package's cubic size is divided to determine dimensional weight of package.
Early A.M. Surcharge		\$28.50	Surcharge for delivery requested before 8 am
Early A.M. Out of Territory		\$10.00	Early AM delivery outside service area
Excessive Tracking		\$3.00	fee assessed for tracking requests of more than 50 packages or 20% of the shipper's volume in any given week, whichever is greater.
Fuel Surcharge		7% Capped	Surcharge for fuel based on the National U.S. Average On Highway Diesel Fuel Prices reported by the U.S. Department of Energy for the month that is two months prior to the adjustment.
Hazardous Materials - Ground		\$20.00	Fee for contracted shipper's hazardous material packages
Hazardous Materials - Air		\$30.00	Fee for contracted shipper's hazardous material packages
Large Package Surcharge		\$45.00	Surcharge when length plus girth(2x width) plus (2x height) exceeds 130", but not the maximum UPS size of 165".



Late Payment Fee		5% of balance for current pay period	Assessed on all balances 45 days past due
Missing/Invalid Account # Charge		\$10.00	Fee assessed when account number is missing, not correct for the bill to party or if it is the account number for a receiver or third party who fails to pay the shipping charges.
On Call Pickup		See Bulleted Items	
- Same Day Via Internet		GRD \$4.00 per pkg AIR \$4.00 per pkg	internet request for same day pick up for shippers who do not have a daily pick up at their location
- Future Day Via Internet		GRD \$3.00 per pkg AIR \$4.00 per pkg	internet request for future day pick up for shippers who do not have a daily pick up at their location
- Same Day Via Phone		GRD \$5.00 per pkg AIR \$4.00 per pkg	phone request for same day pick up for shippers who do not have a daily pick up at their location
- Future Day Via Phone		GRD \$4.00 per pkg AIR \$4.00 per pkg	phone request for future day pick up for shippers who do not have a daily pick up at their location
Over Maximum Limits		\$50.00	Packages over 150lbs., or exceed 108" in length or exceed total of 165" in length and girth are not accepted
Pickup Charge (Ground ARS)		\$10.00	Charge for 3DS or ground package with return service label when no other packages are shipped.
Proof of Delivery (Fax or Mail) /Acknowledgement of Delivery		\$3.00	Proof of delivery charge assessed to shipper.
Remote Area Surcharge Alaska		\$15	Applies to packages delivered in certain zip codes within Alaska and Hawaii
Remote Area Surcharge Hawaii		\$6	
Residential Surcharge	- Ground	\$1.95	Applies to packages delivered to a location that is a home, including a business operating out of a home that does not have an entrance open to the public.
	- 3 Day Select	\$2.30	
	- Air	\$2.30	
	- CWT	\$20.00 per shipment	
Delivery Intercept		\$10.00	Charge for shipper request to have package delivered to alternate address, alternate delivery day, or returned to shipper
Returns: Print & Mail Label		\$2.25	UPS prints the label upon your request and mails it to your customer who applies label to your package
Returns: 1 Attempt		\$4.00	If package cannot be picked up on first attempt, UPS will leave label at pick up location.
Returns: 3 Attempts		\$6.00	UPS will attempt pick on three consecutive business days. If package cannot be picked up after third attempt,
Returns: Call Tag Commercial		\$7.00	UPS picks up the return package at the customer's location and returns it to the business via UPS Ground
Returns: Call Tag Residential		\$7.00	UPS picks up the return package at the customer's location and returns it to the business via UPS Ground
Returns: Electronic Return Label		\$1.00	UPS emails label upon your request to your customer, who prints the label and applies to your package
Returns: Print Return Label		\$0.50	Shipper generates label and includes it in an outbound shipment or distributes separately to their customer who applies label to package
Saturday Pickup		\$12.50 (Air only)	Saturday pick up fee -Saturday pick up available on air packages (EAM, NDA, Saver, 2DA, 2DA AM) including those dropped off at retail locations
Saturday Delivery		\$12.50 (Air only)	-Saturday delivery available on air packages only to areas that have NDA and 2DA delivery
Verbal Confirmation of Delivery		\$3.00	Confirm delivery of package by UPS calling preferred contact listed on UPS NDA Early AM package
Weekly Service Charge		\$0 -Waived	Charge for driver to stop to pick up packages at your location M-F and receive daily rates, lowest possible rates available



INTERNATIONAL			
Address Corrections		\$10.00	IF UPS is unable to deliver a package as addressed by shipper or if package has invalid, incorrect or incomplete address, UPS will make reasonable effort to correct or complete address and notify customer once secured.
Bill Duty/Tax & Shipping Charges to Shipper		\$15.00	For duties and taxes billed outside the destination country
Certificate of Origin		\$10.00	For preparation by UPS on behalf of the shipper for goods manufactured and originating within the US
Currency Conversion Rate		0.75%	charges to payer's account in a foreign currency will be converted to the payer's currency using weekly exchange rate secured through major money center banks
Declared Value		\$0.60 per \$100 (\$1.50 min)	protection on package valued up to \$50,000
Delivery Confirmation		\$2.50	For UPS Worldship or UPS ready solution customers who select "signature required" in their system
Delivery Confirmation - Signature		\$3.50	For UPS Worldship or UPS ready solution customers who select "Adult signature required" in their system
Delivered Duty Paid, V.A.T. Unpaid		\$15.00	
Dimensional Weight Factor		166	Factor which package's cubic size is divided to determine dimensional weight of package.
Disbursement Fee		2% of amount or Minimum \$5.00	Fee for duties and taxes paid or processed by UPS on behalf of the customer.
Excessive Tracking		\$3.00	fee assessed for tracking requests of more than 50 packages or 20% of the shipper's volume in any given week, whichever is greater.
Extended Area Surcharge		Greater of \$22 or \$0.22 per pound	For Express Plus, Express, Express Saver, Expedited shipments for some origins and destinations
Freight Collect Refusal - International		\$10.00	If bill receiver or bill third party is selected and the bill to party refuses to pay
Fuel Surcharge		7% Capped	Surcharge for fuel based on the National U.S. Average On Highway Diesel Fuel Prices reported by the U.S. Department of Energy for the month that is two months prior to the adjustment.
International Dangerous Goods (HazMat)		\$40.00	Fee for contracted shipper's hazardous material packages
Iraq/Afghanistan Security		Iraq- No Charge Afghanistan- service N/A	
Large Package Surcharge(UPS Standard to and from Canada)		\$45.00	Surcharge when length plus girth(2x width) plus (2x height) exceeds 130", but not the maximum UPS size of 165".
Low Usage Fee		See Customer Technology Program	
Missing/Invalid Account # Charge		\$10.00	Fee assessed when account number is missing, not correct for the bill to party or if it is the account number for a receiver or third party who fails to pay the shipping charges.
On Call Pick Up		No Charge	Scheduling export shipment pick up via ups.com or calling 1 800 pick ups
Over Maximum Limits		\$50.00	Packages over 150lbs., or exceed 108" in length or exceed total of 165" in length and girth are not accepted in our system, but are subject to this surcharge if found in our system.
Residential Surcharge (UPS Standard to and from Canada)		\$1.95	Applies to packages delivered to a location that is a home, including a business operating out of a home that does not have an entrance open to the public.
Returns: 1 Attempt		\$4.00	If package cannot be picked up on first attempt, UPS will leave label at pick up location.
Returns: 3 Attempts		\$6.00	days. If package cannot be picked up after third attempt, label will be returned.
Returns: Print Return Label		\$0.50	UPS emails label upon your request to your customer, who prints the label and applies to your package
Returns: Electronic Return Label		\$1.00	Shipper generates label and includes it in an outbound shipment or distributes separately to their customer who



Returns: Print & Mail Label		\$2.25	UPS prints the label upon your request and mails it to your customer who applies label to your package
Saturday Pickup Charge		\$12.50	Saturday pick up fee -Saturday pick up available on air packages including those dropped off at retail locations
Saturday Delivery Charge		\$12.50	Saturday delivery available on air packages only to areas that have Express Plus/Express service. N/C to destinations country where Saturday is a business day
Shipper's Export Declaration		\$10.00	When UPS files SED form on shippers behalf
Worldwide Express Plus Surcharge		\$40.00	Surcharge for express package delivered at the earliest possible time available for that destination