

PARTICIPATING ADDENDUM
for
Small Package Delivery Services
Between
The State of Delaware
(herein after "Participating State")
and
United Parcel Service, Inc.
(herein after "Contractor" or "UPS")

Contract # GSS16413-DOCUMENT_SRVC
Cooperative Contract #MA065

Vendor Name: United Parcel Service, Inc.

Delaware Contract Number: GSS16413-DOCUMENT_SRVC
Package Delivery Services

1. SCOPE

- a. This Participating Addendum between Contractor and Participating State, effective as of February 27, 2017 ("Participating Addendum"), is issued pursuant to that certain Master Agreement #MA065, executed between the Contractor and the State of Utah, effective November 28, 2016 ("NASPO Master Agreement"), the terms and conditions of which are incorporated herein by reference unless modified in this Participating Addendum. This Participating Addendum is made between the Participating State and Contractor to establish small packaging delivery and express delivery services as provided under the NASPO Master Agreement at the following rate schedule: Multiple MBG Rates.
- b. Under Delaware Code, Title 29 §6933 and §6987, Participating State is authorized to participate in, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of material or nonprofessional services, or professional services with one (1) or more public procurement units either within the State of Delaware or within another state in accordance with an agreement entered into between the participants.
- c. The requirements herein are in addition to those in the executed NASPO Master Agreement and shall continue through November 27, 2021. At the sole discretion of Participating State, Government Support Services, this Participating Addendum may further be extended to include any extensions as agreed to, by and between the State of Utah and United Parcel Service, Inc.

2. PARTICIPATING ADDENDUM ADDITIONAL AND/OR MODIFIED TERMS AND CONDITIONS TO NASPO MASTER AGREEMENT

a. MANDATORY INSURANCE REQUIREMENTS (29 Del. C. §6929)

As a part of the contract requirements, the Contractor must obtain at its own cost and expense and keep in force and effect during the term of this contract, including all extensions, the minimum coverage limits specified below with a carrier satisfactory to the State. Contractor must carry the following coverage depending on the type of service or product being delivered.

- 1) Commercial General Liability - \$1,000,000 per occurrence/\$3,000,000 aggregate,
- 2) And at least one of the following, as outlined below:

- a. Medical/Professional Liability - \$1,000,000 per occurrence/\$3,000,000 aggregate, or
- b. Miscellaneous Errors and Omissions - \$1,000,000 per occurrence/\$3,000,000 aggregate, or
- c. Product Liability - \$1,000,000 per occurrence/\$3,000,000 aggregate,

Contractor must carry (1) and at least one of (2)(a), (2)(b), or (2)(c) above, depending on the type of Service or Product being delivered.

If the contractual service requires the transportation of departmental clients or staff, the contractor shall, in addition to the above coverage's, secure at its own expense the following coverage;

- d. Automotive Liability Insurance covering all automotive units used in the work with limits of not less than \$100,000 each person and \$300,000 each accident as to bodily injury and \$25,000 as to property damage to other, and
- e. The contractor shall maintain such insurance as will protect against claims under Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this contract. The contractor is an independent contractor and is not an employee of the State of Delaware.

All contractors must carry (a), (e), and (f), and at least one of (b), (c), or (d), depending on the type of service or product being delivered.

Before any work is done with the Participating State, a Certificate of Insurance referencing the name and contract number stated herein, shall be filed with the State of Delaware. The certificate holder is as follows:

State of Delaware
Government Support Services
Contract # GSS16413-DOCUMENT_SRVC
100 Enterprise Place, Suite 4
Dover, DE 19904-8202

Note: The State of Delaware shall not be named as an additional insured.

Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

b. ELECTRONIC CATALOG

At the discretion of the Participating State, Government Support Services, Contractor may be required to submit their items list in an electronic format designated by the Participating State.

By example, but not limited to, the following items may be required:

- Electronic catalogs,
- Electronic catalogs converted to a CSV format with contract specific pricing,
- Items designated by commodity/classification code: United Nations Standard Products and Services Code (UNSPSC), and/or
- A unique item ID for all items in your system and/or our award.

c. SEVERABILITY

If any term or provision of this Participating Addendum is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Participating Addendum, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

d. PERMITS AND LICENSES

All necessary permits, licenses, insurance policies, etc. required by local, State or Federal laws, shall be provided by the Contractor at its own expense.

e. STATE OF DELAWARE BUSINESS LICENSE

Prior to commencing performance under this Participating Addendum, the Contractor shall either furnish the Participating State, Government Support Services with proof of State of Delaware Business Licensure or initiate the process of application, where required. An application may be requested in writing to: Division of Revenue, Carvel State Building, P. O. Box 8750, 820 N. French Street, Wilmington, DE 19899 or by telephone: 302-577-8778. <http://revenue.delaware.gov/services/BusServices.shtml>

Information regarding the State of Delaware's decision to enter into this Participating Addendum will be given to the Division of Revenue. Failure to comply with the State of Delaware licensing requirements under this Section may subject your organization to applicable fines and/or interest penalties.

f. EMERGENCY TERMINATION OF AGREEMENT

1. Due to restrictions which may be established by the United States Government on material, or work, this Participating Addendum may be terminated by the cancellation of all or portions of the Participating Addendum.
2. In the event the Contractor is unable to obtain the material required to complete the items of work included in the contract because of restrictions established by the United States Government and if, in the opinion of the Contractor, it is impractical to substitute other available material, or the work cannot be completed within a reasonable time, the incomplete portions of the work may be cancelled, or the Participating Addendum may be terminated.

g. INDEMNIFICATION

1. General Indemnification

Contractor agrees that, it will indemnify and otherwise hold harmless the State of Delaware, its agents and employees in accordance with Section 33(a) of the NASPO ValuePoint Master Agreement Terms and Conditions, attached to the NASPO Master Agreement as Attachment A ("NASPO Master Agreement Terms and Conditions").

2. Proprietary Rights Indemnification

Contractor agrees that, it will indemnify and otherwise hold harmless the State of Delaware, its agents and employees from and against all third party intellectual property infringement claims, damages or causes of action in accordance with Section 33(b) of the NASPO Master Agreement Terms and Conditions.

In the event of any claim, suit or action by any third party against the State of Delaware, the Participating State shall promptly notify the Contractor in writing.

h. NON-PERFORMANCE

In the event the Contractor does not fulfill its obligations under the terms and conditions of this Participating Addendum, in addition to proceeding with termination of the Participating Addendum, the Participating State may purchase equivalent product on the open market. Any difference in cost between the contract prices herein and the price of open market product shall be the responsibility of the Contractor. Under no circumstances shall monies be due the Contractor in the event open market products can be obtained below contract cost. Any monies charged to the Contractor may be deducted from an open invoice.

i. OPPORTUNITY BUYS

The Director for the State of Delaware, Office of Management and Budget, Government Support Section can waive use of a central contract pursuant to 29 Del. C. §6911(e). A process has been developed to permit any contractor the opportunity to submit an Opportunity Buy offer to the State for goods and/or services for consideration despite the existence of a central contract. See [Opportunity Buy Flowchart](#).

The Director will afford any contractor on an existing central contract an opportunity to match or to beat the Opportunity Buy offer made by a non-contracted contractor prior to a waiver being granted.

j. I FOUND IT CHEAPER

Director for the State of Delaware, Office of Management and Budget, Government Support Section can waive use of a central contract pursuant to 29 Del. C. §6911(e). A process has been developed to permit any State employee or Contractor to identify a lower price for material and or services for consideration despite the existence of a central contract. See [I Found It Cheaper Flowchart](#).

The Director will afford Contractor on an existing central contact an opportunity to match or to beat the I Found It Cheaper suggestion and if not matched or beaten, approve the purchase via a waiver.

k. REQUIRED REPORTS

One of the primary goals in administering this Participating Addendum is to keep accurate records regarding its actual value/usage. This information is essential in order to update the contents of the Participating Addendum and to establish proper bonding levels, if they are required. The integrity of future contracts revolves around our ability to convey accurate and realistic information to all interested parties.

A complete and accurate Usage Report (Attachment A) shall be furnished by Contractor to the Participating State in an Excel format and submitted electronically, no later than the 15th (or next business day after the 15th day) of each month, detailing the purchasing of all items on this contract. The reports shall be submitted and sent as an attachment to vendorusage@state.de.us. Submitted reports shall contain accurate descriptions of the products, goods or services procured, purchasing agency information, including the six-digit department and organization code, quantities procured and prices paid. Any exception to this mandatory requirement or failure to submit complete reports, or in the format required, may result in corrective action, up to and including the possible cancellation of the award. Failure to provide the report with the minimum required information may also negate any contract extension clauses. Additionally, contractors who are determined to be in default of this mandatory report requirement may have such conduct considered against them, in assessment of responsibility, in the evaluation of future proposals.

In accordance with Executive Order 44, the State of Delaware is committed to supporting its diverse business industry and population. The successful Contractor will be required to accurately report on the participation by Diversity Suppliers which includes: minority (MBE), woman (WBE), veteran owned business (VOBE), or service disabled veteran owned business (SDVOBE) under this awarded contract. The reported data elements shall include but not be limited to; name of state contract/project, the name of the Diversity Supplier, Diversity Supplier contact information (phone, email), type of product or service provided by the Diversity Supplier and any minority, women, veteran, or service disabled veteran certifications for the subcontractor (State OSD certification, Minority Supplier Development Council, Women's Business Enterprise Council, VetBiz.gov). The format used for Subcontracting 2nd Tier reporting is shown as Attachment B.

Accurate 2nd Tier reports shall be submitted to the contracting Agency's Office of Supplier Diversity at vendorusage@state.de.us on the 15th (or next business day) of the month following each quarterly period. For consistency quarters shall be considered to end the last day of March, June, September and December of each calendar year. Contract spend during the covered periods shall result in a report even if the contract has expired by the report due date.

I. DELAWARE ECONOMIC IMPACT

Contractor shall provide an annual report of the economic impact of their operations in the State of Delaware. This report shall be submitted by February 15th of each calendar year, and shall report on the immediately prior one full calendar year of operations.

The following basic information is required under this Participating Addendum:

- # of Delaware Locations
- # of Delaware Employees
- Annual Taxes, licenses & Fees Paid to Delaware
 - This may be payroll, franchise, service taxes, etc.
- Major Delaware Investments/ Partnerships
 - Amount paid to Major partners or Suppliers in Delaware
 - Highlight of Delaware MWBE, Veteran, Small Business (SBA criteria) and Disabled Veteran partnerships/ supply chain
 - Rent to Delaware Locations or value of Delaware real property
 - Utility Expenses paid to Delaware utilities

The report shall be submitted to contracting@state.de.us.

m. FUNDING OUT or NON-APPROPRIATION

In the event the General Assembly of the State of Delaware fails to appropriate the specific funds necessary to enter into or continue this Participating Addendum, in whole or part, the Participating Addendum shall be terminated as to any obligation of the Participating State requiring the expenditure of money for which no specific appropriation is available at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds.

n. INDEPENDENT CONTRACTORS

The parties to this Participating Addendum shall be independent contractors to one another, and nothing herein shall be deemed to cause the Participating Addendum to create an agency, partnership, joint venture or employment relationship between parties. Each party shall be responsible for compliance with all applicable workers' compensation, unemployment, disability insurance, social security withholding and all other similar matters. Neither party shall be liable for any debts, accounts, obligations or other liability whatsoever of the other party or any other obligation of the other party to pay on the behalf of its employees or to withhold from any compensation paid to such employees any social benefits, workers compensation insurance premiums or any income or other similar taxes.

o. FAIR BACKGROUND CHECK PRACTICES

Pursuant to 29 Del. C. [§6909B](#), the State does not consider the criminal record, criminal history, credit history or credit score of an applicant for state employment during the initial application process unless otherwise required by state and/or federal law. Contractor doing business with the State is encouraged to adopt fair background check practices. Contractor can refer to 19 Del. C. [§711\(g\)](#) for applicable established provisions.

p. VENDOR BACKGROUND CHECK REQUIREMENTS

If Contractor accesses state property or comes in contact with vulnerable populations, including children and youth, then Contractor shall be required to complete background checks on employees serving the State's on premises contracts. Unless otherwise directed, at a minimum, this shall include a check of the following registry:

- Delaware Sex Offender Central Registry at:

<https://sexoffender.dsp.delaware.gov/>

Individuals that are listed in the registry shall be prevented from direct contact in the service of an awarded state contract, but may provide support or off-site premises service for Contractor. Should an individual be identified and the Contractor believes their employee's service does not represent a conflict with this requirement, may apply for a waiver to the Participating State's primary contact representative listed in the Participating Addendum. The Participating State's decision to allow or deny access to any individual identified on a registry database is final and at the Participating State's sole discretion.

By the Participating State's request, the Contractor shall provide a list of all employees serving this Participating Addendum, and certify adherence to the background check requirement. Individual(s) found in the central registry in violation of the terms stated, shall be immediately prevented from a return to state property in service of the Participating Addendum. A violation of this condition represents a violation of the contract terms and conditions of the Participating Addendum, and may subject the Contractor to penalty, including contract cancellation for cause.

Contractor shall be responsible for the background check requirements of any authorized Subcontractor providing service under this Participating Addendum.

q. SERVICING SUBCONTRACTORS

1. Contractor may use State-approved subcontractors or distributors under this Participating Addendum for sales and service functions as defined herein.
2. Contractor shall be responsible for successful performance and compliance with all requirements in accordance with the terms and conditions under this Participating Addendum, even if work is performed by Servicing Subcontractors.

3. Contractor will be the sole point of contact with regard to this Participating Addendum contractual matters, reporting and administrative requirements.
4. For the purposes of this Participating Addendum, Servicing Subcontractors are classified as follows:
 - a. "Authorized Reseller"
 - i. Authorized Resellers may provide quotes, accept purchase orders, fulfill purchase orders, perform maintenance/warranty services and accept payment from ordering agencies for products and associated services offered under this Participating Addendum.
 - ii. Authorized Resellers are responsible for sending a copy of all purchase orders and invoices to the Contractor for compliance with quarterly usage reporting and administrative requirements.
 - iii. All purchase documents to Authorized Resellers shall reference the Participating Addendum Number and **United Parcel Service, Inc.** as the Contractor.
 - b. "Agent"
 - i. Agents are only authorized to provide quotes, sales assistance, configuration guidance and ordering support for products and associated services offered under this Participating Addendum.
 - ii. Agents are not authorized to accept orders or payments.
5. Subject to the approval of the State, Servicing Subcontractors may be added or deleted during the contract term.
6. Proposed Servicing Subcontractors, as well as the Contractor, must complete the Delaware Substitute Form W-9.
7. State-approved Servicing Subcontractors will be posted on the State's Contracting website.

r. ORDERING PROCEDURE

Contractor is required to have either a local telephone number within the (302) area code, a toll free (800) number, or agree to accept collect calls. Depending on the nature and scope of the event, each Participating State agency or other governmental entity shall be responsible for contacting the Contractor directly for all required resources. All consumables delivered by the Contractor and received by a Participating State agency or other governmental entity, become the property of that State agency or entity. Orders may be accomplished by written purchase order, telephone, fax or computer on-line systems. All Purchase Orders **must** include the Participating State's contract number.

s. BILLING

The Contractor is required to "Bill as Shipped" to the respective ordering agency(s). Ordering agencies shall provide contract number, ship to and bill to address, contact name and phone number. Per Del. C. § 6516 (d) (4), the Contractor shall not charge a late fee that exceeds more than one percent (1%) per month, not to exceed twelve percent (12%) per annum.

Participating State agencies will make every effort to achieve available discount opportunities under this Participating Addendum. The Contractor shall be required to report semi-annually opportunities to enhance the discounts achieved.

t. METHOD OF PAYMENT

1. For each purchase order ("P.O.") issued as part of this Participating Addendum, the Participating State will pay Contractor monthly, within thirty (30) days of receipt of the Contractor's billing, the amount which is legitimately earned by the Contractor, and supported by payroll data and an itemized accounting of reasonable reimbursable direct non-salary costs. A current progress report of the work shall accompany each billing.

Final settlement for total payment to the Contractor will be made within thirty (30) days from the date of final written State acceptance of the work and services as agreed to in the P.O.

2. No premium time for overtime will be paid without prior written State authorization. Indirect overhead cost shall not be applied to the premium portion of the overtime.
3. The agencies or school districts using this Participating Addendum will authorize and process for payment each invoice within thirty (30) days after the date of receipt of a correct invoice. The State of Delaware intends to maximize the use of the P-Card for payment for goods and services provided under this Participating Addendum. Contractor shall not charge additional fees for acceptance of this payment method and shall incorporate any costs into their proposals. Additionally, there shall be no minimum or maximum limits on any P-Card transaction under the Participating Addendum. While it is the Participating State's intention to utilize the P-card payment method, the Participating State reserves, at its discretion, the right to pay by ACH/ ACI or check. Should the Contractor wish to provide a financial incentive to not process payment by P-Card, they are to prepare a proposal to clearly outline any incentives for alternative payment methods the Contractor is willing to accept.

u. FORMAL CONTRACT AND/OR PURCHASE ORDER

No employee of the Contractor is to begin any work prior to receipt of a State of Delaware Purchase Order signed by authorized representatives of the agency requesting service, properly processed through the State of Delaware Accounting Office. A purchase order, email, telephone, fax or State of Delaware's credit card shall serve as the authorization to proceed with work in accordance with the bid specifications and the special instructions, once it is received by the Contractor(s).

v. DISPUTE RESOLUTION

The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Participating Addendum by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Participating Addendum. All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in arbitration or other proceeding involving the parties, provided evidence that is otherwise admissible or discoverable shall not be rendered inadmissible.

If the matter is not resolved by negotiation between the parties within thirty (30) days of first entering into such discussions as outlined above or as otherwise mutually agreed upon by the parties, then the parties shall first submit the dispute to mediation by a mediator under the current Commercial Mediation Rules of the American Arbitration Association, or as otherwise agreed to by the parties. If the matter is not resolved through mediation, then either party may initiate litigation in any court in the State of Delaware having jurisdiction upon thirty (30) days'

written notice to the other party. Any such proceedings held pursuant to this provision shall be governed by Delaware law and the venue shall be in Delaware. Each party shall bear its own costs of mediation, arbitration or litigation, including attorneys' fees.

w. TERMINATION OF INDIVIDUAL ORDERS OR PURCHASE ORDERS

As a central contract, this Participating Addendum shall include individual orders from state agencies and other entities authorized by law to procure from this Participating Addendum. The individual orders may be terminated as follows:

1. Termination for Cause

If, for any reasons, or through any cause, the Contractor fails to fulfill in timely and proper manner his obligations, or if the Contractor violates any of the covenants, agreements, or stipulations of this contract, the ordering agency shall have the right to terminate the P.O. by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other material prepared by the Contractor in the performance of the P.O. shall, at the option of the ordering agency, become its property, and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials which is usable to the ordering agency.

2. Termination for Convenience

The ordering agency may terminate the P.O. at any time by giving written notice of such termination and specifying the effective date thereof, at least sixty (60) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, models, photographs, reports, supplies, and other materials shall, at the option of the department, become its property and the Contractor shall be entitled to receive compensation for any satisfactory work completed on such documents and other materials which are usable to the ordering agency.

3. Termination for Non-appropriation

In the event the State of Delaware General Assembly fails to appropriate the specific funds necessary to enter into or continue the contractual agreement, in whole or part, the agreement shall be terminated as to any obligation of the State requiring the expenditure of money for which no specific appropriation is available at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds. This is not a termination for convenience and/or a termination for default and will not be converted to such.

x. TERMINATION OF PARTICIPATING ADDENDUM

The Participating Addendum may be terminated as follows by the Participating State, Government Support Services.

1. Termination for Cause

If, for any reasons, or through any cause, either party fails to fulfill in timely and proper manner its obligations under this Participating Addendum, violates any of the covenants, agreements, or stipulations of this Participating Addendum, the other party shall thereupon have the right to terminate this Participating Addendum by giving written notice to the breaching party of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. In that event, the Contractor shall be entitled to receive just

and equitable compensation for any satisfactory work completed as of the date of the termination.

On receipt of the cancellation or termination notice from the Participating State, the Contractor shall have not less than five (5) days to provide a written response and may identify a method(s) to resolve the violation(s). A contractor response shall not effect or prevent the cancellation of the Participating Addendum unless the Participating State provides a written acceptance of the Contractor response. If the Participating State does accept the Contractor's method and/or action plan to correct the identified deficiencies, the Participating State will define the time by which the Contractor must fulfill its corrective obligations. Final retraction of the Participating State's termination for cause will only occur after the Contractor successfully rectifies the original violation(s). At its discretion, the Participating State may reject in writing the Contractor's proposed action plan and proceed with the original contract cancellation timeline.

2. Termination for Convenience

The Participating State may terminate this Participating Addendum at any time by giving written notice of such termination and specifying the effective date thereof, at least sixty (60) days before the effective date of such termination. In that event, the Contractor shall be entitled to receive compensation for any satisfactory work completed on such documents and other materials, and which is usable to the State.

3. Termination for Non-Appropriations

In the event the State of Delaware, General Assembly fails to appropriate the specific funds necessary to enter into or continue the contractual agreement, in whole or part, the agreement shall be terminated as to any obligation of the State requiring the expenditure of money for which no specific appropriation is available at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds. This is not a termination for convenience and will not be converted to such.

y. PUBLICATON, REPRODUCTION AND USE OF MATERIAL

The Participating State shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data, or other materials prepared under this Participating Addendum; provided, however, that the Participating State agrees not to use any design or engineering plans prepared by the Contractor for anything other than their intended purpose under this Participating Addendum. The Contractor shall have the right to publish any and all scientific findings. Appropriate acknowledgment and credit for the Participating State's support shall be given in the publication.

z. RIGHTS AND OBLIGATIONS

The rights and obligations of each party to this Participating Addendum shall not be effective, and no party shall be bound by the term of this Participating Addendum, unless and until a valid executed purchase order has been approved by the State of Delaware Secretary of Finance, and all reasonable procedures of the State of Delaware Department of Finance have been complied with. A separate purchase order shall be issued for every project or order.

aa. ASSIGNMENT OF ANTITRUST CLAIMS

As consideration for the award and execution of this contract by the Participating State, the Contractor hereby grants, conveys, sells, assigns, and transfers to the Participating State all of its right, title and interest in and to all known or unknown causes of action it presently has or may now or hereafter acquire under the antitrust laws of the United States and the State of Delaware, regarding the specific goods or services purchased or acquired for the State

pursuant to this Participating Addendum. Upon either the State's or the Contractor notice of the filing of or reasonable likelihood of filing of an action under the antitrust laws of the United States or the State of Delaware, the State and Contractor shall meet and confer about coordination of representation in such action.

bb. REMEDIES

Except as otherwise provided in this Participating Addendum, all claims, counterclaims, disputes, and other matters in question between the State of Delaware and the Contractor arising out of, or relating to, this Participating Addendum, or a breach of it may be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the State of Delaware.

cc. AUDIT ACCESS TO RECORDS

The Contractor shall maintain books, records, documents, and other evidence pertaining to this Participating Addendum to the extent and in such detail as shall adequately reflect performance hereunder. The Contractor agrees to preserve and make available to the Participating State, upon request, such records for a period of five (5) years from the date services were rendered by the Contractor. Records involving matters in litigation shall be retained for one (1) year following the termination of such litigation. The Contractor agrees to make such records available for inspection, audit, or reproduction to any official Participating State representative in the performance of their duties under the Participating Addendum. Upon notice given to the Contractor, representatives of the Participating State or other duly authorized Participating State agency may inspect, monitor, and/or evaluate the cost and billing records or other material relative to this Participating Addendum. The cost of any Participating Addendum audit disallowances resulting from the examination of the Contractor's financial records will be borne by the Contractor. Reimbursement to the Participating State for disallowances shall be drawn from the Contractor's own resources and not charged to the Participating Addendum cost or cost pools indirectly charging Participating Addendum costs.

dd. SUBCONTRACTS

Subcontracting is permitted under this Participating Addendum. However, every subcontractor, authorized representative or reseller shall be identified (Attachment C) and agreed to in writing by the Participating State or as are specifically authorized in writing by the Participating State during the performance of the Participating Addendum. Any substitutions in or additions to such subcontractors, associates, or consultants will be subject to the prior written approval of the Participating State.

The Contractor shall be responsible for compliance by the subcontractor or reseller with all terms, conditions and requirements of the NASPO Master Agreement and this Participating Addendum and with all local, State and Federal Laws. The Contractor shall be liable for any noncompliance by any subcontractor or reseller. Further, nothing contained herein or in any subcontractor agreement shall be construed as creating any contractual relationship between the subcontractor and the Participating State.

ee. CONTRACTOR EMERGENCY RESPONSE POINT OF CONTACT

The Contractor shall provide the name(s), telephone, or cell phone number(s) of those individuals who can be contacted twenty-four (24) hours a day, seven (7) days a week where there is a critical need for commodities or services when the Governor of the State of Delaware declares a state of emergency under the Delaware Emergency Operations Plan or in the event of a local emergency or disaster where a state governmental entity requires the services of the contractor.

In the event of a serious emergency, pandemic or disaster outside the control of the Participating State, the Participating State may negotiate, as may be authorized by law, emergency performance from the Contractor to address the immediate needs of the Participating State, even if not contemplated under the original Participating State or procurement. Payments are subject to appropriation and other payment terms.

ff. POTENTIAL CONTRACT OVERLAP

Contractors shall be advised that the Participating State, at its sole discretion, shall retain the right to solicit for goods and/or services as required by its agencies and as it serves the best interest of the Participating State. As needs are identified, there may exist instances where contract deliverables, and/or goods or services to be solicited and subsequently awarded, overlap previous awards. The Participating State reserves the right to reject any or all bids in whole or in part, to make partial awards, to award to multiple contractors during the same period, to award by types, on a zone-by-zone basis or on an item-by-item or lump sum basis item by item, or lump sum total, whichever may be most advantageous to the State of Delaware.

gg. SECURITY

As computer, network, and information security are of paramount concern, the State wants to ensure that computer/network hardware and software does not compromise the security of its IT infrastructure. Therefore, the Contractor's systems or software provided or used in the performance of the services under this Participation Addendum shall substantially conform to the Top 20 Critical Security controls located at <http://www.sans.org/critical-security-controls/>.

hh. TAX EXEMPTION

1. Material covered by this Participating Addendum is exempt from all FEDERAL and STATE TAXES. Such taxes shall not be included in prices quoted.
2. Any material which is to be incorporated in the work or any equipment required for the work contemplated in the proposal may be consigned to the Agency. If the shipping papers show clearly that any such material is so consigned, the shipment will be exempt from the tax on the transportation of property under provisions of Section 3475 (b) of the Internal Revenue Code, as amended by Public Law 180 (78th Congress). All transportation charges shall be paid by the Contractor.

ii. DOCUMENT EXECUTION

The State of Delaware requires completion of the [Delaware Substitute Form W-9](#) to make payments to contractors. Successful completion of this form enables the creation of a State of Delaware vendor record. The Taxpayer ID (SSN or EIN) and Applicant (contractor) name are submitted to the Internal Revenue Service for "matching." If the Taxpayer ID and name do not match, the vendor record cannot be approved.

It is the applicant's responsibility to select the appropriate 1099 Withholding Type and Class. If incorporated, a business is not subject to 1099 reporting unless the business is providing legal or medical services.

3. PRIMARY CONTACTS

The primary government contact individuals for this Participating Addendum are as follows (or their named successors):

Lead State

Contact: Brad Cummings
Address: 3150 State Office Building
Salt Lake City, Utah 84114
Phone: 801-538-3232
Fax: 801-538-3882
Email: bcummings@utah.gov

Contractor

Contact: Tom Dames
Address: 316 Pennsylvania Ave, SE,
Suite 500
Washington, DC 20003
Phone: 202.675.4228
Fax:
Email: tdames@ups.com

Participating State - Delaware, Government Support Services


Contact: Theresa Newman
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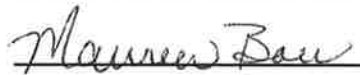
4. CONTRACT NUMBER

The contract number for the State of Delaware is: GSS16413-DOCUMENT_SRVC, Package Delivery Services.

This Participating Addendum and the NASPO Master Agreement, Number MA065, (administered by the State of Utah) together with its exhibits (including Contractor's proposal attached to the NASPO Master Agreement as Attachment D and Contractor's Service Guide referenced therein), set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Participating Addendum and the NASPO Master Agreement, together with its exhibits, shall not be added to or incorporated into this Participating Addendum or the NASPO Master Agreement and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Participating Addendum will have priority and prevail over all other inconsistent or additional terms, including the NASPO Master Agreement and its exhibits.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below:

State of Delaware
By: 
Name: Peter Korolyk
Title: Deputy Director
Date: 2/21/17

Contractor: United Parcel Service, Inc.
By: 
Name: Maureen Bauer
Title: Director of Employee Recs
Date: 2/20/2017