

FLORIDA DEPARTMENT OF

management
SERVICES

We serve those who serve Florida

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Rick Scott, Governor

Chad Poppell, Secretary

PARTICIPATING ADDENDUM
to the
NASPO ValuePoint Cooperative Procurement Program
SMALL PACKAGE DELIVERY SERVICES MASTER AGREEMENT
Administered by the State of Utah

Master Agreement No.: MA454

FedEx Corporation
And
The State of Florida

Alternate Contract Source No. 78102200-16-ACS Courier Services

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**STATE OF FLORIDA
DEPARTMENT OF MANAGEMENT SERVICES**

Scope: The State of Utah, Division of Purchasing publicly conducted a Request for Proposal on behalf of the Western States Contracting Alliance (WSCA) resulting in Master Agreement number MA454. The Master Agreement led by the State of Utah (Lead State), along with a multi-state sourcing team, was created for use by state agencies and other entities that are authorized by that state's statutes to utilize cooperative agreements, upon written approval of the State's chief procurement official.

The Master Agreement for courier services identifies the scope of services awarded to the Contractor.

This Participating Addendum herein after referred to as the (Contract) is made and entered into by and between the STATE OF FLORIDA, DEPARTMENT OF MANAGEMENT SERVICES (Department), with offices at 4050 Esplanade Way, Tallahassee, Florida 32399-0950, and FedEx Corporate Services, Inc. as agent for Federal Express Corporation and FedEx Ground Package System, Inc. (Contractor), together the (Parties). This Contract allows for the purchase of courier services from the Master Agreement. This Contract shall not diminish, change, or impact the rights of the Lead State with regard to the Lead State's contractual relationship with the Contractor under the terms of the Master Agreement.

**ALTERNATE SOURCES CONTRACT
No. 78102200-16-ACS**

The Parties therefore agree as follows:

SECTION 1. DEFINITIONS.

The following definitions apply in addition to the definitions in Chapter 287, F.S., and Rule Chapter 60A-1, F.A.C.:

- 1.1 Customer.**
The state agency or eligible user that purchases commodities or contractual services pursuant to the Contract.
- 1.2 Purchase Order.**
The method a Customer uses to buy commodities or contractual services under the Contract (e.g., a written or electronic purchase order, P-card, contract.)

SECTION 2. TERM OF CONTRACT.

- 2.1 Initial Term.**
The initial term will begin on a date set forth in the Contract documents or on the date the Contract is signed by all Parties, whichever is later. This Contract is coterminous with Master Agreement number MA454.
- 2.2 Renewal Term.**
Upon written agreement, the Department and the Contractor may renew the Contract in whole or in part only as set forth in the Contract documents, and in accordance with section 287.057(13), F.S. This Contract is coterminous with Master Agreement number MA454.

2.3 Cooperative Purchasing.

Pursuant to their own governing laws, and subject to the agreement of the Contractor, other entities may be permitted to make purchases at the terms and conditions contained herein. Non-Customer purchases are independent of the agreement between Customer and Contractor, and Customer shall not be a party to any transaction between the Contractor and any other purchaser.

State agencies wishing to make purchases from this agreement are required to follow the provisions of s. 287.042(16)(a), F.S. This statute requires the Department of Management Services to determine that the requestor's use of the contract is cost-effective and in the best interest of the State.

2.4 Termination.

2.4.1 Termination for Convenience.

The Contract may be terminated by the Department in whole or in part at any time, in the best interest of the State. If the Contract is terminated before performance is completed, the Contractor shall be paid only for that work satisfactorily performed for which costs can be substantiated. Such payment, however, may not exceed an amount which is the same percentage of the Contract price as the amount of work satisfactorily performed. All work in progress shall become the property of the Customer and shall be turned over promptly by the Contractor.

2.4.2 Termination for Cause.

If the Department determines that the performance of the Contractor is not satisfactory, the Department shall have the option of (a) immediately terminating the Contract, or (b) notifying the Contractor of the deficiency with a requirement that the deficiency be corrected within a specified time, otherwise the Contract will be terminated at the end of such time, or (c) take other action deemed appropriate by the Department.

2.4.3 Suspension of Work.

The Department may in its sole discretion suspend any or all activities under the Contract, at any time, when in the best interest of the State to do so. A Customer may suspend a purchase order, at any time, when in the best interest of the Customer to do so. The Department or Customer will provide the Contractor written notice outlining the particulars of suspension. Examples of the reason for suspension include, but are not limited to, budgetary constraints, declaration of emergency, or other such circumstances. After receiving a suspension notice, the Contractor shall comply with the notice and shall not accept any purchase orders. Within ninety days, or any longer period agreed to by the Contractor, the Department or Customer will either (1) issue a notice authorizing resumption of work, at which time activity shall resume, or (2) terminate the Contract or purchase order. Suspension of work shall not entitle the Contractor to any additional compensation.

SECTION 3. PAYMENT AND FEES.

3.1 Pricing.

The Contractor shall not exceed the pricing set forth in Master Agreement No.:MA454.

3.2 Price Decreases.

The following price decrease terms will apply to the Contract:

(a) Quantity Discounts. Contractors are urged to offer additional discounts for one time delivery of large single orders.

(b) Best Pricing Offer. During the Contract term, if the Contractor offers lowering pricing for substantially the same or a smaller quantity of commodities or contractual services outside the Contract, but upon the same or similar terms of the Contract, then the price under the Contract shall be immediately reduced to the lower price.

(c) Sales Promotions. In addition to decreasing prices for the balance of the Contract term due to a change in market conditions, a Contractor may conduct sales promotions involving price reductions for a specified lesser period. A Contractor shall submit documentation identifying the proposed (1) starting and ending dates of the promotion, (2) commodities or contractual services involved, and (3) promotional prices compared to then-authorized prices

(d) Trade-In. Customers may trade-in commodities as negotiated with the Contractor when making purchases from the Contract.

3.3 Payment Invoicing.

The Contractor will be paid upon submission of properly certified invoice(s) to the Customer after delivery and acceptance of commodities or contractual services is confirmed in writing by the Customer. Invoices shall contain detail sufficient for an audit and shall contain the Contract Number and the Contractor's Federal Employer Identification Number.

3.4 Purchase Order.

The Contractor shall provide commodities or contractual services pursuant to purchase orders. Purchase orders survive the expiration of the Contract. The duration of purchase orders shall not exceed the expiration of the Contract by more than twelve months.

3.5 Travel.

Travel expenses are not reimbursable unless specifically authorized by the Customer in writing, and may be reimbursed only in accordance with section 112.061, F.S.

3.6 Annual Appropriation.

Pursuant to section 287.0582, F.S., if the Contract binds the State or agency for the purchase of services or tangible personal property for a period in excess of one (1) fiscal year, the State of Florida's performance and obligation to pay under the Contract is contingent upon an annual appropriation by the Legislature.

3.7 MyFloridaMarketPlace Fees.

The following language is included pursuant to rule 60A-1.031, Florida Administrative Code:

The State of Florida, through the Department of Management Services, has instituted MyFloridaMarketPlace, a statewide eProcurement system pursuant to section 287.057(22), Florida Statutes. Payments issued by Agencies or Eligible Users to Vendors for purchases of commodities or contractual services are subject to Transaction Fees, as prescribed by rule

60A-1.031, Florida Administrative Code, or as may otherwise be established by law. Vendors shall submit monthly reports required by the rule. All reports shall be subject to audit. Failure to pay Transaction Fees or submit reports shall constitute grounds for default and exclusion from business with the State of Florida.

3.8 Taxes.

The State of Florida is not required to pay any taxes on commodities or contractual services purchased under the Contract.

3.9 Return of Funds.

Contractor will return to the Department or Customer any overpayments due to unearned funds or funds disallowed pursuant to the terms of the Contract that were disbursed to the Contractor by the Department or Customer. The Contractor shall return any overpayment to the Department or Customer within forty (40) calendar days after either discovery by the Contractor, its independent auditor, or notification by the Department or Customer, of the overpayment.

SECTION 4. CONTRACT DOCUMENT.

4.1 Contract Documents & Hierarchy.

The Contract sets forth the entire understanding of the Parties and consists of the documents listed below, which are incorporated into the Contract. In the event any of these documents conflict, the conflict will be resolved in the following order of priority (highest to lowest):

4.1.1 This document (Contract/Participating Agreement)

4.1.2 The Statement of Work in Master Agreement number MA454 (Attachment A)

4.1.3 The Price Schedule set forth in Master Agreement number MA454 (Attachment B)

4.1.4 PUR 7064 Savings/Price Reductions (Attachment C)

4.2 Composition and Priority.

The Contractor agrees to provide commodities or contractual services to the Customer within the manner and at the location specified in the Contract, and any attachments to the Contract. Additionally, the terms of the Contract supersede the terms of any and all prior agreements between the Parties with respect to this purchase.

4.3 Notices.

All notices required under the Contract shall be delivered by certified mail, return receipt requested, by reputable air courier service, or by personal delivery to the Contract Manager, or as otherwise identified by the Department. Notices to the Contractor shall be delivered to the Vendor Contract Manager. Either Party may notify the other, in writing, if someone else is designated to receive notice. Changes to designations to receive notice do not require formal written amendment to the Contract.

SECTION 5. CONTRACT MANAGEMENT.

5.1 Contract Manager.

The Contract Manager who is primarily responsible for the Department's oversight of the Contract will be provided in a separate writing to the Contractor upon Contract signing, in the following format:

Corina Chiorescu
Division of State Purchasing
Florida Department of Management Services
4050 Esplanade Way, Suite 360
Tallahassee, Florida 32399-0950
Telephone: (850) 487-9847
Email: corina.chiorescu@dms.myflorida.com

In the event that the Department changes the Contract Manager, the Department will notify the Contractor in writing, via email. Such a change does not require a formal written amendment to the Contract.

5.2 Vendor Contract Manager.

The Vendor Contract Manager who is primarily responsible for the Contractor's oversight of the Contract performance will be provided in a separate writing to the Department upon Contract signing, in the following format:

Bobby Bledsoe
FedEx Corporation
942 Shady Grove Rd S
Memphis, TN 38120
Telephone: (901) 219-6964
Email: rdbledsoe@fedex.com

In the event that the Contractor changes the Vendor Contract Manager, the Contractor will notify the Department in writing, via email. Such a change does not require a formal written amendment to the Contract.

5.3 Contract Quarterly Reports.

The Contractor shall submit a Quarterly Report in the required format electronically to the Participating State within 30 days of the end of the quarter. The Participating State reserves the right to require the Contractor to provide additional reports within 30 days written notice. Failure to provide the Quarterly Report or other reports requested by the Participating State may result in the Contractor being found in default and may result in termination of this Participating Addendum.

Sales will be reviewed on a quarterly basis. Should no sales be recorded in two consecutive contract quarters, the Participating State may terminate this Participating Addendum.

5.4 Business Review Meetings.

The Participating State/Entity reserves the right to schedule business review meetings as frequently as necessary. The Participating State/Entity will provide the format for the Contractor's agenda. Prior to the meeting, the Contractor shall submit the completed

agenda to the Participating State/Entity for review and acceptance. The Contractor shall address the agenda items and any of the Participating State/Entity's additional concerns at the meeting. Failure to comply with this section may result in the Contractor being found in default and the Participating Addendum termination.

5.5 Diversity Reporting.

The State of Florida is committed to supporting its diverse business industry and population through ensuring participation by minority, women, and veteran business enterprises in the economic life of the State. The Department of Management Services encourages supplier diversity through certification of business enterprises, advocacy and outreach and Business Match Maker events. For additional information, please contact the Office of Supplier Diversity at (850) 487-0915 or osdhelp@dms.myflorida.com. Upon request, the Contractor shall report to the Department, spend with certified and other minority business enterprises.

5.6 Americans with Disabilities Act.

Contractors should identify any commodities or contractual services that may be used or adapted for use by visually, hearing, or other physically impaired individuals.

5.7 RESPECT.

In accordance with subsection 413.036(3), F.S., if commodities or contractual services required for the performance of the Contract are on the procurement list established pursuant to subsection 413.035(2), F.S., the following statement applies:

It is expressly understood and agreed that any articles that are the subject of, or required to carry out, this contract shall be purchased from a nonprofit agency for the blind or for the severely handicapped that is qualified pursuant to chapter 413, Florida statutes, in the same manner and under the same procedures set forth in section 413.036(1) and (2), Florida statutes; and for purposes of this contract the person, firm, or other business entity carrying out the provisions of this contract shall be deemed to be substituted for the state agency insofar as dealings with such qualified nonprofit agency are concerned.

Additional information about the designated nonprofit agency and the commodities or contractual services it offers is available at <http://www.respectofflorida.org>.

5.8 PRIDE.

In accordance with subsection 946.515(6), F.S., if commodities or contractual services required for the performance of the Contract is certified by or is available from Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE) and has been approved in accordance with subsection 946.515(2), F.S., the following statement applies:

It is expressly understood and agreed that any articles which are the subject of, or required to carry out, this contract shall be purchased from the corporation identified under chapter 946, F.S., in the same manner and under the same procedures set forth in section 946.515(2) and (4), F.S.; and for purposes of this contract the person, firm, or other business entity carrying out the provisions of this contract shall be deemed to be substituted for this agency insofar as dealings with such corporation are concerned.

Additional information about PRIDE and the commodities or contractual services it offers is available at <http://www.pride-enterprises.org>.

SECTION 6. COMPLIANCE WITH LAWS.

6.1 Conduct of Business.

The Contractor shall comply with all laws, rules, codes, ordinances, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and authority.

Pursuant to subsection 287.058(1), F.S., the provisions of subparagraphs 287.058(1)(a)-(c), and (g), F.S., are hereby incorporated by reference, to the extent applicable.

6.2 Notice of Legal Actions.

The Contractor shall endeavor to notify the Department of any legal actions filed against it for a violation of any laws, rules, codes ordinances or licensing requirements within 30 days of the action being filed. Failure to notify the Department of a legal action within 30 days of the action shall be grounds for termination for cause or nonrenewal of the Contract.

6.3 Governing Law and Venue.

The laws of the State of Florida shall govern the Contract. The Parties submit to the jurisdiction of the courts of the State of Florida exclusively for any legal action related to the Contract. Further, the Contractor hereby waives any and all privileges and rights relating to venue it may have under Chapter 47, F.S., and any and all such venue privileges and rights it may have under any other statute, rule, or case law, including, but not limited to those based on convenience. The Contractor hereby submits to venue in the county chosen by the Department.

6.4 Independent Contractor.

The Contractor and its employees, agents, representatives, and subcontractors are not employees or agents of the Department and are not entitled to the benefits of State of Florida employees. The Department shall not be bound by any acts or conduct of the Contractor or its employees, agents, representatives, or subcontractors. The Contractor agrees to include this provision in all of its subcontracts under the Contract.

6.5 Waiver.

The delay or failure by the Department to exercise or enforce any of its rights under the Contract shall not constitute waiver of such rights.

6.6 Modification and Severability.

The Contract may only be modified by written agreement between the Department and the Contractor. Should a court determine any provision of the Contract is invalid, the remaining provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Contract did not contain the provision held invalid.

6.7 Time is of the Essence.

Time is of the essence with regard to each and every obligation of the Contractor. Each such obligation is deemed material, and a breach of any such obligation (including a breach resulting from untimely performance) is a material breach.

6.8 Convicted and Discriminatory Vendor Lists.

In accordance with sections 287.133 and 287.134, F.S., an entity or affiliate who is on the Convicted Vendor List or the Discriminatory Vendor List may not perform work as a

contractor, supplier, subcontractor, or consultant under the Contract with the Department. The Contractor shall notify the Department if it or any of its suppliers, subcontractors or consultants have been placed on the Convicted Vendor List or the Discriminatory Vendor List during the term of the Contract.

6.9 Cooperation with Inspector General.

Pursuant to subsection 20.055(5), F.S., Contractor, and any subcontractor to the Contractor, understand and will comply with their duty to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing. Upon request of the Inspector General or any other authorized State official, the Contractor shall provide any type of non-confidential information the Inspector General deems relevant to the Contractor's integrity or responsibility. Such information may include, but shall not be limited to, the Contractor's business or financial records, documents, or files of any type or form that refer to or relate to the Contract. The Contractor shall retain such records for three (3) years after the expiration of the Contract, or the period required by the General Records Schedules maintained by the Florida Department of State (available at: <http://dos.myflorida.com/library-archives/records-management/general-records-schedules/>), whichever is longer.

SECTION 7. CONTRACTOR BUSINESS.

7.1 Department of State Registration.

Contractor and any subcontractors that assert corporate status must provide the Department with conclusive evidence, per section 607.0127, F.S., of a certificate of status, not subject to qualification, if a Florida corporation, or of a certificate of authorization if a foreign corporation.

7.2 Subcontractors.

It is understood and agreed by the Department that all FedEx Ground deliveries will be made by subcontractors, in addition to any international deliveries made to countries not directly served by FedEx. The Contractor is fully responsible for satisfactory completion of all subcontracted work. The Department supports diversity in its Procurement Program and requests that all subcontracting opportunities afforded by this Contract enthusiastically embrace diversity. The award of subcontracts should reflect the full diversity of the citizens of the State of Florida. Contractor can contact the Office of Supplier Diversity at (850) 487-0915 for information on minority businesses who may be considered for subcontracting opportunities.

7.3 Risk of Loss.

Matters of inspection and acceptance are addressed in section 215.422, F.S. Until acceptance, risk of loss or damage shall remain with the Contractor. All claims for loss, damage, misdelivery or non-delivery of Department shipments shall be filed in accordance with the terms of the FedEx Service Guide in effect at the time of shipment.

7.4 Certification of Drug-Free Workplace Program.

The State of Florida supports and encourages initiatives to keep the workplace of Florida's suppliers and contractors drug free. Contractor shall sign and submit the "Certification of Drug-Free Workplace Program" form, attached hereto and certify that the Contractor has a drug-free workplace program.

SECTION 8. LIABILITY AND WORKER'S COMPENSATION INSURANCE.

8.1 Workers' Compensation and Liability Insurance.

During the Contract term, the Contractor at its sole expense shall provide commercial insurance of such a type and with such terms and limits as may be reasonably associated with the Contract, which, at a minimum, shall be as follows: workers' compensation and employer's liability insurance per Florida statutory limits (currently \$200,000 per accident, \$200,000 per person and \$500,000 policy aggregate) covering all employees engaged in any Contract work; commercial general liability coverage on an occurrence basis in the minimum amount of \$500,000 (defense cost shall be in excess of the limit of liability), naming the State as an additional insured; and automobile liability insurance covering all vehicles, owned or otherwise, used in the Contract work, with minimum combined limits of \$500,000, including hired and non-owned liability and \$5,000 medical payment. Providing and maintaining adequate insurance coverage is a material obligation of the Contractor and is of the essence of the Contract. The Contract shall not limit the types of insurance Contractor may desire to obtain or be required to obtain by law. The limits of coverage under each policy maintained by the Contractor shall not be interpreted as limiting the Contractor's liability and obligations under the Contract. All insurance policies shall be through insurers authorized to write policies in the State of Florida.

The Contractor shall require its insurance carrier to add the Department to the insurance policies as an additional insured, as provided below:

Florida Department of Management Services
c/o Division of State Purchasing
4050 Esplanade Way, Suite 36060
Tallahassee, Florida 32399-0950

8.2 Indemnity.

To the extent permitted by Florida law, the Contractor agrees to indemnify, defend, and hold the Department, its officers, employees and agents harmless from all fines, claims, assessments, suits, judgments, or damages, including court costs and attorney's fees, arising out of any acts, actions, breaches, neglect or omissions of the Contractor, its employees, agents, subcontractors, assignees or delegates related to the Contract, as well as for any determination arising out of or related to the Contract that the Contractor or Contractor's employees, agents, subcontractors, assignees or delegates are not independent contractors in relation to the Department. The Contract does not constitute a waiver of sovereign immunity or consent by the Department or the State of Florida or its subdivisions to suit by third parties.

Further, the Contractor shall fully indemnify, defend, and hold harmless the Department from any suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to violation or infringement of a trademark, copyright, patent, trade secret or intellectual property right.

SECTION 9. PUBLIC RECORDS AND TRADE SECRETS.

9.1 Access to Public Records.

Contractor shall comply with all Florida laws and regulations related to public records, specifically s. 24(a) of Art. I of the State Constitution and section 119.07(1), Florida Statutes.

9.2 Protection of Trade Secrets or Confidential Information.

If the Contractor considers any portion of materials made or received in the course of performing the Contract ("contract-related materials") to be trade secret under section 812.081, F.S., or otherwise confidential under Florida or federal law, the Contractor must clearly designate that portion of the materials as "confidential" when submitted to the Department.

If the Department receives a public records request for contract-related materials designated by the Contractor as "confidential," the Department will provide only the portions of the contract-related materials not designated as "confidential." If the requester asserts a right to examine contract-related materials designated as "confidential," the Department will notify the Contractor. The Contractor will be responsible for responding to and resolving all claims for access to contract-related materials it has designated "confidential."

If the Department is served with a request for discovery of contract-related materials designated "confidential," the Department will promptly notify the Contractor about the request. The Contractor will be responsible for filing, the appropriate motion or objection in response to the request for discovery. The Department will provide materials designated "confidential" only if the Contractor fails to take appropriate action, within timeframes established by statute and court rule, to protect the materials designated as "confidential" from disclosure.

SECTION 10. INTELLECTUAL PROPERTY.

10.1 Intellectual Property.

All intellectual property rights possessed by each party at the inception of this Agreement shall remain solely owned by such party. Ownership to any intellectual property created or otherwise developed by the Contractor for the Department will be mutually agreed upon by the parties .

SECTION 11. E-VERIFY

11.1 E-Verify.

In accordance with Executive Order 11-116, the Contractor agrees to utilize the U.S. Department of Homeland Security's E-Verify system, <https://e-verify.uscis.gov/emp>, to verify the employment eligibility of all new employees hired during the term of the Contract for the services specified in the Contract. The Contractor shall also include a requirement in subcontracts that the subcontractor shall utilize the E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the Contract term. In order to implement this provision, the Contractor shall provide a copy of its DHS Memorandum of Understanding (MOU) to the Contract Manager within five days of Contract execution. If the Contractor is not enrolled in DHS E-Verify System, it will do so within five days of notice of Contract award, and provide the Contract Manager a copy of its MOU within five days of Contract execution. The link to E-Verify is provided below. <http://www.uscis.gov/e-verify>. Upon each Contractor or subcontractor new hire, the Contractor shall provide a statement within five days to the Contract Manager identifying the new hire with its E-Verify case number.

SECTION 12. SCRUTINIZED COMPANY LIST.

12.1 Certified Not Scrutinized.

If the Contract exceeds \$1,000,000.00 in total not including renewal years, Contractor certifies that it is not listed on either the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to section 215.473, F.S. Pursuant to section 287.135(5), F.S., Contractor agrees the Department may immediately terminate the Contract for cause if the Contractor is found to have submitted a false certification or if Contractor is placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List during the term of the Contract.

SECTION 13. GEOGRAPHIC LOCATION OF DATA AND SERVICES.

13.1 Data Location.

It is understood and agreed by the Department that Contractor is an international entity which performs services throughout the world. In performance of these services, both data and service personnel must of necessity reside outside of the United States, and the Department consents to such Contractor requirements.

SECTION 14. RECORDS RETENTION

14.1 Document Management.

Contractor shall retain sufficient documentation to substantiate claims for payment under the Contract, and all other records made in relation to the Contract, for five (5) years after expiration or termination of the Contract.

SECTION 15. GIFTS AND LOBBYING.

15.1 Gratuities.

The Contractor shall not, in connection with this or any other agreement with the State, directly or indirectly (1) offer, give, or agree to give anything of value to anyone as consideration for any State officer or employee's decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty, or (2) offer, give, or agree to give to anyone anything of value for the benefit of, or at the direction or request of, any State officer or employee.

15.2 Lobbying.

In accordance with sections 11.062 and 216.347, F.S., Contract funds are not for the purpose of lobbying the Legislature, the judicial branch, or the Department. Pursuant to subsection 287.058(6), F.S., the Contract does not prohibit the Contractor from lobbying the executive or legislative branch concerning the scope of services, performance, term, or compensation regarding the Contract, after the Contract execution and during the Contract's term.

SECTION 16. VENDOR OMBUDSMAN.

16.1 Ombudsman.

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this office are found in section 215.422, F.S., which include disseminating

information relative to prompt payment and assisting vendors in receiving their payments in a timely manner from a Customer. The Vendor Ombudsman may be contacted at (850) 413-5516.

16.2 Payment Timeframe.

Section 215.422, F.S., provides that agencies have five (5) working days to inspect and approve commodities or contractual services. Items may be tested for compliance with specifications. Items delivered not conforming to specifications may be rejected and returned at the Contractor's expense. Interest penalties for late payment are also provided for in section 215.422, F.S. A Vendor Ombudsman, whose duties include acting as an advocate for Vendors who may be experiencing problems obtaining timely payment(s) from an Agency, may be contacted at 850-413-5516, or Vendors may call the State Comptroller's Hotline at 1-800-848-3792.

SECTION 17. MONITORING BY THE DEPARTMENT.

17.1 Performance Standards.

The Contractor agrees to perform all tasks and provide deliverables as set forth in the Statement of Work and attachments to the Contract. The Department shall be entitled at all times, upon request, to be advised as to the status of work being done by the Contractor and of the details thereof. Coordination shall be maintained by the Contractor with representatives of the Department, or of other agencies involved in the project on behalf of the Department.

17.2 Performance Deficiency.

If the Customer determines that the performance of the Contractor is unsatisfactory, the Customer may notify the Contractor of the deficiency to be corrected, which correction shall be made within a time-frame specified by the Customer.

17.3 Delay.

The Contractor will promptly notify the Customer upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion (or delivery) of any commodity or contractual service. The Contractor will use commercially reasonable efforts to avoid or minimize any delays in performance and will inform the Customer of the steps the Contractor is taking or will take to do so, and the projected actual completion (or delivery) time. If the Contractor believes a delay in performance by the Customer has caused or will cause the Contractor to be unable to perform its obligations on time, the Contractor will promptly so notify the Customer and use commercially reasonable efforts to perform its obligations on time notwithstanding the Customer's delay.

17.4 Force Majeure, Notice of Delay, and No Damages for Delay.

The Contractor shall not be responsible for delay resulting from its failure to perform if neither the fault nor the negligence of the Contractor or its employees or agents contributed to the delay and the delay is due directly to acts of God, wars, acts of public enemies, strikes, fires, floods, or other similar cause wholly beyond the Contractor's control, or for any of the foregoing that affect subcontractors or suppliers if no alternate source of supply is available to the Contractor. In case of any delay the Contractor believes is excusable, the Contractor shall notify the Customer in writing of the delay or potential delay and describe the cause of the delay either (1) within ten (10) days after the cause that creates or will create the delay first arose, if the Contractor could reasonably

foresee that a delay could occur as a result, or (2) if delay is not reasonably foreseeable, within five (5) days after the date the Contractor first had reason to believe that a delay could result. The foregoing shall constitute the Contractor's sole remedy or excuse with respect to delay. Providing notice in strict accordance with this paragraph is a condition precedent to such remedy. No claim for damages shall be asserted by the Contractor. The Contractor shall not be entitled to an increase in the Contract price or payment of any kind from the Customer for direct, indirect, consequential, impact or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency, arising because of delay, disruption, interference, or hindrance from any cause whatsoever. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this paragraph, after the causes have ceased to exist the Contractor shall perform at no increased cost, unless the Customer determines, in its sole discretion, that the delay will significantly impair the value of the Contract to the State or to Customers, in which case the Customer may (1) accept allocated performance or deliveries from the Contractor, provided that the Contractor grants preferential treatment to Customers with respect to commodities or contractual services subjected to allocation, or (2) purchase from other sources (without recourse to and by the Contractor for the related costs and expenses) to replace all or part of the commodity or contractual services that are the subject of the delay, which purchases may be deducted from the Contract quantity, or (3) terminate the Contract in whole or in part.

SECTION 18. CONTRACT AUDITS.

18.1 Term Audits.

The Department may conduct or have conducted performance and/or compliance audits of the Contractor and subcontractors as determined by the Department. The Department may conduct an audit and review all the Contractor's and subcontractor's data and records that directly relate to the Contract.

18.2 Payment Audit.

Records of costs incurred under terms of the Contract shall be maintained in accordance with section 14.1 of the Contract. Records of costs incurred shall include the Contractor's general accounting records, together with supporting documents and records of the Contractor and all subcontractors performing work, and all other records of the Contractor and subcontractors considered necessary by the Department for audit.

SECTION 19. BACKGROUND SCREENING AND SECURITY.

19.1 Background Check.

The Department may require the Contractor and its employees, agents, representatives and subcontractors to provide fingerprints and be subject to such background check as directed by the Department and approved by the Contractor. The cost of the background check(s) shall be borne by the Contractor. . In addition, the Contractor shall ensure that all persons have a responsibility to self-report to the Contractor any arrest for any Disqualifying Offense. The Contractor shall endeavor to notify the Contract Manager within 24 hours of all details concerning any reported arrest.

19.2 Duty to Provide Secure Data.

The Contractor will maintain the security of State of Florida Data including, but not limited to, a secure area around any display of such Data or Data that is otherwise visible. The

Contractor will also comply with any other state and federal rules and regulations regarding security of information.

19.3 Communications and Confidentiality.

The parties agree that neither one shall make statements, press releases, or publicity releases concerning the Contract or its subject matter or otherwise disclose or permit to be disclosed any of the data or other information obtained or furnished in compliance with the Contract, or any particulars thereof, during the period of the Contract, without securing prior written consent. The Contractor shall maintain confidentiality of all confidential data, files, and records related to the services and/or commodities provided pursuant to the Contract and shall comply with all state and federal laws, including, but not limited to sections 381.004, 384.29, 392.65, and 456.057, F.S. The Contractor's confidentiality procedures shall be consistent with the most recent version of the Department security policies, protocols, and procedures. The Contractor shall also comply with any applicable professional standards with respect to confidentiality of information.

SECTION 20. PERFORMANCE BOND.

20.1 Performance Bond.

Unless otherwise prohibited by law, the Department or Customer may require the Contractor to furnish, without additional cost to the Department, a performance bond or irrevocable letter of credit or other form of security for the satisfactory performance of work hereunder. The Department shall determine the type and amount of security.

SECTION 21. NO OFFSHORING AFFIDAVIT.

21.1 U.S.A. Domestic Services and Data.

The Department understands the worldwide nature of Contractor's operations and consents to Contractor's performance of the services both inside and outside of the United States.

Notwithstanding any provision of this Contract to the contrary, the Contractor shall notify the Department as soon as possible, in accordance with the requirements of section 501.171, F.S., and in all events within one (1) business day in the event it discovers any Data is breached, any unauthorized access of Data occurs (even by persons or companies with authorized access for other purposes), any unauthorized transmission of Data or any credible allegation or suspicion of a material violation of the above. This notification is required whether the event affects one employee/retiree or the entire population. The notification shall be clear and conspicuous and include a description of the following:

- (a) The incident in general terms.
- (b) The type of personal information that was subject to the unauthorized access and acquisition.
- (c) The number of individuals who were, or potentially have been affected by the breach.
- (d) The actions taken by the Contractor to protect the Data from further unauthorized access. However, the description of those actions in the written notice may be general so as not to further increase the risk or severity of the breach.

21.2 Remedial Measures.

Upon becoming aware of an alleged security breach or security incident under section 21.1, the Vendor Contractor Manager shall set up a conference call with the Contract

Manager. The conference call invitation shall contain a brief description of the nature of the event. When possible, a thirty (30) minute notice shall be given to allow Department personnel to be available for the call. If the designated time is not practical for the Department, an alternate time for the call shall be scheduled. All available information shall be shared on the call. The Contractor shall answer all questions based on the information known at that time and shall answer additional questions as additional information becomes known. The Contractor shall provide the Department with final documentation of the incident including all actions that took place. If the Contractor becomes aware of a security breach or security incident outside of normal business hours, the Contractor shall notify the Contract Manager and in all events, within one (1) business day.


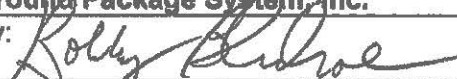
SECTION 22. PREFERRED PRICING AFFIDAVIT.

22.1 Preferred Price.

Contractor acknowledges and recognizes that the Department wants to take advantage of any improvements in price/fees over the course of the Contract period. To that end, the price indicated in this Contract is a maximum guarantee.

Contractor's fee or price under this Contract will not exceed the Contractor's total fees or price then in effect for substantially the same commodities or contractual services to any organization with similar services to those in this Contract. During the term of the Contract, if Contractor implements or provides any other client, whether a public or private entity, such pricing with more favorable than the pricing in this Contract, then Contractor agrees to offer equivalent pricing terms to the Department and the Department and Contractor will execute an amendment of this Contract. The Contractor shall submit to the Department a completed Preferred Pricing affidavit form annually.

IN WITNESS THEREOF, the Parties hereto have caused the Contract including any referenced attachments, to be executed by their undersigned officials and each person is duly authorized to bind the respective Party to the Contract. The Contract is not valid until signed and dated by both Parties.

Participating State: State of Florida Department of Management Services	Contractor: FedEx Corporate Services, Inc. as agent for Federal Express Corporation and FedEx Ground Package System, Inc.
By: 	By: 
Name: Erin Rock	Name: Bobby Bledsoe
Title: Deputy Secretary	Title: Worldwide Account Manager
Date: 1-28-16	Date: 1/13/16

FEDERAL ID NUMBER (or SS Number for an individual):

List of Attachments included as part of this Contract:

**Attachment A - The Statement of Work in Master Agreement number MA454
Attachment B - The Price Schedule set forth in Master Agreement number MA454
Attachment C - PUR 7064 Savings/Price Reductions**