



CHIEF PROCUREMENT OFFICE
Matt Brown, General Services

Notice 2015.04

General Services

To: State Purchasing Officers
Agency Procurement Staff
State Fiscal Officers
State Mail and Messenger Services
CMS Bureau of Strategic Sourcing
Procurement Policy Board

From: Matt Brown

Date: January 6, 2015

Subject: Statewide Small Package Air and Ground Parcel Delivery Services
Including Freight and Hundredweight Services

This CPO Notice is effective January 6, 2015. Notice is provided to state agencies and registered Joint Purchasing entities of a Statewide Master Contract with United Parcel Service (UPS) for outbound, inbound, third-party and return shipping. The Governmental Joint Purchasing Act, 30 ILCS 525/0.01 authorizes certain local governmental units and other not-for-profit agencies for persons with severe disabilities (as defined by 30 ILCS 500/45-35, meeting the requirements of 30 ILCS 525/2) to purchase services from this contract.

Services covered in this contract include Overnight, Expedited, Ground, Domestic, International, and Freight; handling Letters, Paks, Boxes, Multi-piece shipments, Pallets and Truckloads.

You may access the contract at the Master Contract tab on the Illinois Procurement Bulletin (www.purchase.state.il.us), Contract Number CPOGS15001, Small Package Air & Ground Delivery Services (UPS), under the "Other" Category or on the CPO-GS's website at:

www2.illinois.gov/cpo/general/Pages/Joint%20Purchasing%20Agreements.aspx

This contract was procured with the assistance of the Illinois Environmental Protection Agency under the Transportation Sustainability Procurement Program Act ("Act"), P.A. 98-0348. The Act states it is the policy of the State to provide the structure and criteria necessary to ensure State processes for procuring freight, small package delivery, and other forms of cargo transport and shipping services that take into consideration cost, quality, and best environmental practices. The State will realize significant cost savings on its shipping as a result of this contract, as well as a reduction of the State's environmental footprint.



CHIEF PROCUREMENT OFFICE

Matt Brown, General Services

The relevant features of the contract provide:

- One year initial term, with four one-year renewals at a 2% increase
- UPS Software, hardware & supplies to prepare articles for shipment
- UPS Freight collect routing enabled for each UPS account
- UPS Training, tracking, reporting and electronic billing
- UPS Weekly service charges are waived
- UPS Fuel surcharges capped at 7%
- UPS Money-back guarantee

UPS designated a strategic Enterprise Account Director for the State's account, Patrick Boyce, Pboyce@ups.com, (317) 292-1626, who can be reached during normal business hours. UPS has established accounts for all known state agency locations. Agencies can arrange through Mr. Boyce additional accounts for any locations not presently identified. Agencies may also work with Mr. Boyce to arrange pick-up and delivery schedules, trainings and provide for other agency operational needs. Training will include an introduction to the master agreement, an explanation of the use of packaging and/or software, and tips for the proper use of the agreement to promote the greatest savings possible to the State.

In procuring supplies or other items that are delivered, state agencies should consider separating out the cost of shipping in the price proposals. Utilizing the State's UPS account for shipping items to the State might be more cost effective than having a vendor ship and add overhead costs to the shipping.

The Transportation Sustainability Procurement Program Act requires the adoption of rules by the CPO-GS to encourage all state agencies to use the least costly level of service or mode of transport that can achieve on-time delivery for the product being transported and delivered. Pursuant to administrative rule, master contracts are required to be utilized by State agencies. State agencies should cancel or discontinue any contracts with other carriers for small package air and ground delivery services. State agencies that have a contract already with UPS have been moved to the new price structure.

If there are any questions about the account, please contact Patrick Boyce at UPS, Pboyce@ups.com, (317) 292-1626. If there are any questions regarding this Notice, please contact Krysti Rinaldi from the Chief Procurement Office for General Services at Krystiana.Rinaldi@illinois.gov or (217) 685-2928.

cc: Lisa Bonnett, Director Illinois Environmental Protection Agency