NASPO ValuePoint
# PARTICIPATING ADDENDUM

## SMALL PACKAGE DELIVERY SERVICES 2021-2026
Lead by the State of Utah

Master Agreement #: MA065

The Parties:

Contractor: **UNITED PARCEL SERVICE, INC. (UPS)**

Participating Entity: **STATE OF MINNESOTA**

The following products or services are included in this contract portfolio [remove any services that do not apply]:

- Small Package Delivery Services, as described in UPS's response to Solicitation CH12-36.

## Master Agreement Terms and Conditions:

1. Scope: This addendum covers the ***Small Package Delivery Services*** led by the State of Utah for use by state agencies and other entities located in the Participating State *[or State Entity]* authorized by that State's statutes to utilize State contracts with the prior approval of the State's Chief Procurement Official.

2. Participation: This NASPO ValuePoint Master Agreement may be used by all state agencies, institutions of higher education, political subdivisions and other entities authorized to use statewide contracts in the State of Minnesota. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.

3. Primary Contacts: The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor

| | |
|---|---|
| Name: | Richard Wegner |
| Address: | 5828 Rudy Lane, Millstadt Il 62260 |
| Telephone: | 618-406-3543 |
| Fax: | N/A |
| Email: | rwegner@ups.com |

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Participating Entity

| | |
|---|---|
| Name: | Kathryn Kemerley |
| Address: | Minnesota Department of Administration<br>Office of State Procurement<br>50 Sherburne Ave., 112 Administration Bldg.<br>St. Paul, MN 55155 |
| Telephone: | 651.201.3171 |
| Fax: | 651.297.3996 |
| Email: | kathryn.kemerley@state.mn.us |

## 4. Participating Entity Modifications Or Additions To The Master Agreement

These modifications or additions apply only to actions and relationships within the Participating Entity.

Participating Entity must check one of the boxes below.

[___] No changes to the terms and conditions of the Master Agreement are required.

[ X_] The following changes are modifying or supplementing the Master Agreement terms and conditions.

5. Modifications: The additional terms and conditions contained in Minnesota Exhibit A, which is attached and made part of the Participating Addendum, are hereby incorporated by reference. In the event of a conflict between the terms contained within Minnesota Exhibit A and the NASPO ValuePoint Master Agreement, Minnesota Exhibit A shall prevail. The parties agree that this provision of the Participating Addendum supersedes the Standard Contract Terms and Conditions set forth in the NASPO ValuePoint Master Agreement. In the event that any provision of the Participating Addendum or NASPO ValuePoint Master Price Agreement is contrary to Minnesota law, such provision shall be null and void. The Participating Addendum shall be governed by Minnesota law. No price adjustments are allowed unless approved by the Lead State for the NASPO ValuePoint Master Agreement.

6. Orders: Any order placed by a Participating Entity or Purchasing Entity for a service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions) of the Master Agreement unless the parties to the order agree in writing that another contract or agreement applies to such order, to the extent

a Purchasing Entity opens an account and requests its purchases are aligned to the Master Agreement pricing. Purchasing Entities with a pre-existing account will be migrated to NASPO pricing upon confirmation from the Participating Entity's primary contact or the primary contact for this Participating Addendum.

7. Non-Appropriation: If during the term of this Participating Addendum, appropriations are insufficient to support purchases under this Participating Addendum, the Participating Entity may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. If during the term of this Participating Addendum, appropriations are insufficient to support any Purchasing Entity's purchases under this Participating Addendum, the Purchasing Entity may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. A Purchasing Entity's actions under this clause will not affect this Participating Addendum or purchases made by other Purchasing Entities under this Participating Addendum.

   If the Participating Entity or Purchasing Entity order services without funds appropriated, the Participating Entity or Purchasing Entity will make good faith efforts to pay Contractor at the agreed-upon rates for such services rendered prior to the notice of non-Appropriation of funds. To the extent that the Participating Entity or Purchasing Entity notifies Contractor that no appropriated funds are available to pay Contractor for services, Contractor shall have the right, but not the obligation, to suspend all services to the Participating Entity or Purchasing Entity providing notice without such action constituting a default of the Participating Addendum. Service to the Participating Entity and other Purchasing Entities will not be affected by funding deficiencies of a single Purchasing Entity.

8. Purchase Order Terms and Conditions: This Participating Addendum and the NASPO Master Agreement, (administered by the State of Utah) together with its exhibits (including Contractor's response to the NASPO solicitation attached thereto), 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 null and void. The terms and conditions of this Participating Addendum and the NASPO Master Agreement and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms. A Purchasing Entity or Participating Entity Purchase Order is not required to initiate services. Services shall be initiated consistent with Contractor's ordering documentation. In the event a Purchasing Entity or Participating Entity Purchase Order is used for ordering services, Contractor's ordering documentation shall also apply. Contractor shall have a right to deny any Purchasing Entity or Participating Entity Purchase Order. Services rendered to a Purchasing Entity or Participating Entity shall not affect such denial or be deemed evidence of acceptance. The parties agree that only Contractor's express agreement to a purchase order shall be binding.

The Participating Entity expressly agrees to the inclusion of Contractor's Rate and Service Guide and Tariff/Terms and Conditions of Service as set forth in the NASPO Master Agreement.

9. Purchasing Entity Fraud: In the interest of reducing the risk of fraud and unauthorized re-selling of Contractor services, nothing in this Participating Addendum shall obligate Contractor to provide services to any organization or entity other than the Participating Entity and authorized Purchasing Entities. If Contractor believes that a Purchasing Entity's shipping characteristics evidence fraudulent use of this Participating Addendum for the benefit of for-profit companies or other unauthorized users, it may, in its sole discretion, refuse service to the Purchasing Entity without notice.

10. Subcontractors: The Contractor is permitted to make subcontract(s) with any other party for furnishing any of the work or services herein. The Contractor shall be solely responsible for performance of the entire Contract whether or not subcontractors are used. The Participating Entity shall not be involved in the relationship between the prime contractor and the subcontractor. Any issues that arise as a result of this relationship shall be resolved by the Contractor. For the avoidance of doubt, vendors and suppliers to the Contractor's business shall not be considered subcontractors.

11. Administrative Fee and Reporting: Sales under this Participating Addendum shall be subject to an administrative fee that will be calculated in the following manner:

    For each calendar quarter, the Participating Entity will receive an Administrative Fee from Contractor for the Net Transportation Charges (base transportation rates paid by Purchasing Entities based upon the rate chart/sheet exhibit to the NASPO Master Agreement only, excluding any "Fees and/or Additional Charges" as identified in Contractor's Rate & Service Guide) in the amount of 1%.

    The fee is to be remitted thirty days after the last day of each quarter and will represent a single, one-time payment of the amount due as calculated from the sales during the prior quarter. This fee is not to be listed as a separate cost on invoices.

    Instructions for remittance are as follows:

    The Administrative Fee may be submitted through Automated Clearing House (ACH) or by check. Contact CPV.Program@state.mn.us for detailed information on the ACH payment option. If paying by check, the check should be made payable to the State of Minnesota, and submitted to:

    Office of State Procurement
    112 Administration Building
    50 Sherburne Avenue
    St. Paul, MN 55155

    A summary report of the sales during the prior quarter will be submitted each quarter forty-five days after the last day of each quarter. The Contractor will determine the report formatting and report data. The data will be sufficient to support the calculation of the administrative fee. This report is to be sent electronically to osp.insurance@state.mn.us.

Reports and Payments will be due according to the following schedule:

October, November, December — Due on or after February 15th

January, February, March — Due on or after May 15th

April, May, June — Due on or after August 15th

July, August, September — Due on or after November 15th

12. Effective Date: Notwithstanding any other effective date contained in this agreement, the rates established under this agreement will be effective no sooner than three weeks after the date Contractor receives a fully executed contract with all required approvals from the State or as of the effective date, whichever is later.

13. Term: In no event shall the term of the Participating Addendum exceed the term of the Master Agreement, as amended.

14. **PAYMENT.** Minn. Stat. § 16A.124 requires payment within 30 days following receipt of an undisputed invoice, merchandise or service, whichever is later. The rate of interest paid by the agency on undisputed bills not paid within 30 days shall be 1-1/2 percent per month or any part thereof. In addition, all goods and/or services provided must meet all terms, conditions and specifications of the Contract and the ordering document and be accepted as satisfactory by the Ordering Entity before payment will be issued. Any late payment fees relating to invoices are controlled by law.

NASPO ValuePoint
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Lead by the State of Utah

NASPO ValuePoint

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

**1. Contract Vendor:**
**UPS**

The Contract Vendor certifies that the appropriate person(s) have executed this Participating Addendum on behalf of the Contract Vendor as required by applicable articles, bylaws, resolutions, or ordinances.

By: DocuSigned by: Richard Wegner DAAAEA918C8B4AD...
Signature

Richard Wegner
Printed Name

Title: Director Government Sales

Date: 6/30/2022 | 2:25 PM PDT

By: ____________________
Signature

____________________
Printed Name

Title: ____________________

Date: ____________________

**2. Government Entity:**
**State of Minnesota**

**Office of State Procurement**

In accordance with Minn. Stat. § 16C.03, Subd. 3.

By: DocuSigned by: kathryn kemerley 657A9EA2374747F...

Title: Acquisition Management Specialist

Date: 7/11/2022

**3. State of Minnesota**
**Commissioner of Administration**

Or delegated representative.

By: DocuSigned by: Justin Patrick D0517CF9A9854F3...

Date: 7/11/2022

For questions on executing a participating addendum, please contact:

NASPO ValuePoint

| | |
|---|---|
| Cooperative Development Coordinator: | Shannon Berry |
| Telephone: | (775) 720-3404 |
| Email: | sberry@naspovaluepoint.org |

***[Please email fully executed PDF copy of this document to***

***PA@naspovaluepoint.org***

***to support documentation of participation and posting in appropriate data bases.]***

**Minnesota Exhibit A**

**Minnesota General Terms, Conditions, and Specifications**

1. **STATE AUDITS** (Minn. Stat. § 16C.05, Subd. 5). The books, records, documents, and accounting procedures and practices of the Contract Vendor or other party, that are relevant to the Contract or transaction are subject to examination by the contracting agency and either the Legislative Auditor or the State Auditor as appropriate for a minimum of six years after the end of the Contract or transaction.

   The State reserves the right to authorize delegate(s) to audit this Contract and transactions.

2. **INSURANCE.** If applicable, prior to execution of the Participating Addendum, the Contract Vendor will be required to provide a copy of a Certificate of Insurance, including workers' compensation insurance coverage requirements of Minn. Stat. § 176.181 subd. 2, and other coverages per the insurance requirements if included in the Participating Addendum.

3. **LAWS AND REGULATIONS.** Any and all services, articles or equipment offered and furnished must comply fully with all local, State and federal laws and regulations, including Minn. Stat. § 181.59 prohibiting discrimination and business registration requirements of the Office of the Minnesota Secretary of State.

4. **GOVERNING LAW.** The Contract will be construed in accordance with and performance governed by the laws of the State of Minnesota. Except to the extent that the provisions of the Contract are clearly inconsistent therewith, the Contract shall be governed by the Uniform Commercial Code (UCC) as adopted by the State of Minnesota as stated in Minn. Stat. Chapter 336. To the extent the Contract entails delivery or performance of services, the services will be deemed "goods" within the meaning of the UCC, except when to deem such services as "goods" is unreasonable.

5. **JURISDICTION AND VENUE.** The Contract, its amendments and supplements thereto, shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of the Contract or breach thereof shall comply with applicable law, including Minn. Stat. 3.751. for all proceedings arising out of the Contract, or any breach thereof.

6. **HUMAN RIGHTS/AFFIRMATIVE ACTION.** The State requires affirmative action compliance by its Contract Vendors in accordance with Minn. Stat. § 363A.36 and Minn. R. 5000.3400 to 5000.3600.

   a. Covered contracts and Contract Vendors. One-time acquisitions, or a contract for a predetermined amount of goods and/or services, where the amount of your response is in excess of $100,000 requires completion of the Affirmative Action Certification page. If the solicitation is for a contract for an indeterminate amount of goods and/or services, and the State estimated total value of the contract exceeds $100,000 whether it will be a multiple award contract or not, you must complete the Affirmative Action Certification page. If the contract dollar amount or the State estimated total contract amount exceeds $100,000 and the Contract Vendor employed more than 40 full-time employees on a single working day during the previous 12 months in Minnesota or in the state where it has its principal place of business, the Contract Vendor must comply with the requirements of Minn. Stat. § 363A.36, subd. 1 and Minn. R. 5000.3400 to 5000.3600. A Contract Vendor covered by Minn. Stat. § 363A.36, subd. 1 and Minn. R. 5000.3400 to 5000.3600 that had more than 40 full-time employees within Minnesota on a single working day during the previous 12 months must have a certificate of compliance issued by the commissioner of the Department of Human Rights (certificate of compliance). A Contract Vendor covered by Minn. Stat. § 363A.36, subd. 1 that did not have more than 40 full-time employees on a single working day during the previous 12 months within Minnesota but that did have more than 40 full-time employees in the state where it has its principal place of business and that does not have a certificate of compliance must certify that it is in compliance with federal affirmative action requirements.

b. Minn. Stat. § 363A.36, subd. 1 requires the Contract Vendor to have an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals approved by the commissioner of the Department of Human Rights (commissioner) as indicated by a certificate of compliance. Minn. Stat. § 363A.36 addresses suspension or revocation of a certificate of compliance and contract consequences in that event. A contract awarded without a certificate of compliance may be voided.

c. Minn. R. 5000.3400-5000.3600 implement Minn. Stat. § 363A.36. These rules include, but are not limited to, criteria for contents, approval, and implementation of affirmative action plans; procedures for issuing certificates of compliance and criteria for determining a Contract Vendor’s compliance status; procedures for addressing deficiencies, sanctions, and notice and hearing; annual compliance reports; procedures for compliance review; and contract consequences for noncompliance. The specific criteria for approval or rejection of an affirmative action plan are contained in various provisions of Minn. R. 5000.3400-5000.3600 including, but not limited to, parts 5000.3420-5000.3500 and parts 5000.3552-5000.3559.

d. Disabled Workers. Minn. R. 5000.3550 provides the Contract Vendor must comply with the following affirmative action requirements for disabled workers.

AFFIRMATIVE ACTION FOR DISABLED WORKERS

(a) The contractor must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(b) The contractor agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

(c) In the event of the contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with Minn. Stat. § 363A.36 and the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

(d) The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the commissioner of the Minnesota Department of Human Rights. Such notices must state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified disabled employees and applicants for employment, and the rights of applicants and employees.

(e) The contractor must notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by the terms of Minn. Stat. § 363A.36 of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled persons. The parties agree that posting notices in conspicuous places shall satisfy the notice requirement of this clause.

e. Consequences. The consequences of a Contract Vendor's failure to implement its affirmative action plan or make a good faith effort to do so include, but are not limited to, suspension or revocation of a certificate of compliance by the commissioner, refusal by the commissioner to approve subsequent plans, and termination of all or part of the Contract by the commissioner or the State.

f. Certification. The Contract Vendor hereby certifies that it is in compliance with the requirements of Minn. Stat. § 363A.36, subd. 1 and Minn. R. 5000.3400-5000.3600 and is aware of the consequences for noncompliance. It is agreed between the parties that Minn. Stat. 363.36 and Minn. R. 5000.3400 to 5000.3600 are incorporated into any contract between these parties based upon this specification or any modification of it. A copy of Minn. Stat. 363A.36 and Minn. R. 5000.3400 to 5000.3600 are available upon request from the contracting agency.

7. **EQUAL PAY CERTIFICATION.** If the Response to this solicitation could be in excess of $500,000, the Responder must obtain an Equal Pay Certificate from the Minnesota Department of Human Rights (MDHR) or claim an exemption prior to contract execution. A responder is exempt if it has not employed 40 or more full-time employees on any single working day during the previous 12 months in Minnesota or the state where it has its primary place of business. Please contact MDHR with questions at: 651-539-1095 (metro), 1-800-657-3704 (toll free), 711 or 1-800-627-3529 (MN Relay) or at compliance.MDHR@state.mn.us.

8. **TAXES.** DO NOT add sales tax to the prices being offered. Unless otherwise instructed by the State, agencies will pay all applicable taxes directly to the Department of Revenue. Per Department of Revenue Tax Fact Sheet 142, State agencies are required to submit an ST3 form to their suppliers. See website at http://www.revenue.state.mn.us.

   If orders are issued by Cooperative Purchasing Venture (CPV) Members, the Contract Vendor should confirm all of the tax requirements with the ordering entity.

9. **INTELLECTUAL PROPERTY INDEMNIFICATION.** In the event of any claim by any third party against the State that any materials or products provided or produced by the Contract Vendor or used by the Contract Vendor in the performance of the Contract infringe upon or violate any patent, copyright, trade secret, or any other proprietary right of any third party, the State shall promptly notify the Contract Vendor. The Contract Vendor, at its own expense, shall indemnify, defend to the extent permitted by the Minnesota Attorney General's Office, as required by Minn. Stat. 8.025, and hold harmless the State against any loss, cost, expense, or liability (including legal fees) arising out of such a claim, whether or not such claim is successful against the State.
   If such a claim has occurred, or in the Contract Vendor's opinion is likely to occur, the Contract Vendor shall either procure for the State the right to continue using the materials or products or replacement or modified materials or products. If an option satisfactory to the State is not reasonably available, the State shall return the materials or products to the Contract Vendor, upon written request of the Contract Vendor and at the Contract Vendor's expense. This remedy is in addition to any other remedy provided by law.

10. **NONVISUAL ACCESS STANDARDS.** Pursuant to Minn. Stat. § 16C.145, to the extent applicable to this Agreement for transportation services, the Contract Vendor shall comply with the following nonvisual technology access standards :

    a. That the effective interactive control and use of the technology, including the operating system applications programs, prompts, and format of the data presented, are readily achievable by nonvisual means;

    b. That the nonvisual access technology must be compatible with information technology used by other individuals with whom the blind or visually impaired individual must interact;

    c. That nonvisual access technology must be integrated into networks used to share communications among employees, program participants, and the public; and

    d. That the nonvisual access technology must have the capability of providing equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

    These standards are not applicable for installation of software or peripheral devices used for nonvisual access when the information technology is being used by individuals who are not blind or visually impaired. The Parties agree that this Agreement does not involve technology.

11. **ELECTRONIC FUNDS TRANSFER (EFT) PAYMENT METHOD AND STRUCTURE.** In accordance with Minn. Stat. § 16A.40 the Contract Vendor is required to provide their bank routing information to the Minnesota Department of Finance to enable payments to be made through EFT.

12. **IT ACCESSIBILITY STANDARDS.** To the extent required by this Agreement for transportation services**,** Contract Vendor acknowledges and is fully aware of the accessibility requirements of Minnesota Statutes section 16E.03 and the State of Minnesota Accessibility Standards – available online at http://mn.gov/oet/images/Stnd_State_Accessibility.pdf or http://mn.gov/oet/ – that incorporate both Section 508 of the Rehabilitation Act and Web Content Accessibility Guidelines 2.0 level 'AA'. The Standards apply to web sites, software applications, electronic reports and output documentation, training delivered in electronic formats (including, but not limited to, documents, videos, and webinars), among others. If website, training or any of the above available through this contract, Contract Vendor agrees to develop functionality which supports accessibility. **The Parties agree that this Agreement does not involve IT.**

13. **E-VERIFY CERTIFICATION.** For services in excess of $50,000, the Contract Vendor certifies that as of the date of services performed on behalf of the State, the Contract Vendor and all its subcontractors will have implemented or be in the process of implementing the federal E-Verify program for all newly hired employees in the United States who will perform work on behalf of the State. This is required by Minnesota Statutes Section 16C.075. The Contract Vendor shall be responsible for collecting all subcontractor certifications and may do so utilizing the E-Verify Subcontractor Certification Form available on OSP website www.mmd.admin.state.mn.us.

    All subcontractor certifications must be kept on file with the Contract Vendor and made available to the State upon request.

14. **STATE'S NON-INDEMNIFICATION.** Nothing herein, whether express or implied, shall be deemed to create an obligation on the part of the State to indemnify, defend, hold harmless or release the Contract Vendor, Contract Vendor's subcontractors, or Contract Vendor's in violation of Minn. Const. Art. XI Sect. 1, Minn. Stat 16A.15, and 16A.138. This shall extend to all agreements related to the subject matter of the RFP, Master Agreement, Participating Addendum and to all terms subsequently added, without regard to order of precedence.

15. **CERTIFICATION OF NONDISCRIMINATION (In accordance with Minn. Stat. § 16C.053).** The following term applies to any contract for which the value, including all extensions, is $50,000 or more: Contractor abides by all applicable laws in the countries where it conducts business. In regard to Contractor's business with the Participating Entity, Contractor certifies it does not engage in and has no present plans to engage in discrimination against Israel, or against persons or entities doing business in Israel, when making decisions related to the operation of the vendor's business. For purposes of this section, "discrimination" includes but is not limited to engaging in refusals to deal, terminating business activities, or other actions that are intended to limit commercial relations with Israel, or persons or entities doing business in Israel, when such actions are taken in a manner that in any way discriminates on the basis of nationality or national origin and is not based on a valid business reason.

**STATE OF MINNESOTA**
**DEPARTMENT OF ADMINISTRATION**
**OFFICE OF STATE PROCUREMENT**

**CONTACT PERSON FOR ORDERS**:

| | | | |
|---|---|---|---|
| NAME: | | TITLE: | |
| TELEPHONE NUMBER: | | FAX NUMBER: | |
| TOLL FREE NUMBER: | | E-MAIL: | |

**CONTACT PERSON TO EXPEDITE ORDERS** (if different from above):

| | | | |
|---|---|---|---|
| NAME: | | TITLE: | |
| TELEPHONE NUMBER: | | FAX NUMBER: | |
| TOLL FREE NUMBER: | | E-MAIL: | |

**ORDER ADDRESS**:

| | | | |
|---|---|---|---|
| STREET/PO BOX: | | | |
| CITY/STATE: | | ZIPCODE: | |
| TELEPHONE NUMBER: | | FAX NUMBER: | |
| TOLL FREE NUMBER: | | E-MAIL: | |

**REMIT-TO ADDRESS**:

| | | | |
|---|---|---|---|
| STREET/PO BOX: | | | |
| CITY/STATE: | | ZIPCODE: | |
| TELEPHONE NUMBER: | | FAX NUMBER: | |

| | | | |
|---|---|---|---|
| TOLL FREE NUMBER: | | E-MAIL: | |

## GENERAL INSURANCE REQUIREMENTS

The Contractor/Contract Vendor (Contract Vendor) shall maintain insurance to cover claims which may arise from operations under this Contract,

The Contract Vendor shall not commence work under the Contract until they have obtained all the insurance described below and the State of Minnesota has approved such insurance. The Contract Vendor shall maintain such insurance in force and effect throughout the term of the Contract.

All coverages and limits shall remain in force and effect throughout the term of the Contract.

### NOTICE TO THE CONTRACT VENDOR:

The failure of the State of Minnesota to obtain a Certificate of Insurance, for the policies required under this Contract or renewals thereof, or failure of the insurance company to notify the State of the cancellation of policies required under this Contract shall not constitute a waiver by the Owner to the Contract Vendor to provide such insurance.

The Owner reserves the right to immediately terminate the Contract if the Contract Vendor is not in compliance with the insurance requirements and the Owner retains all rights to pursue any legal remedies against the Contract Vendor. All insurance policies must be open to inspection by the State, and copies of policies must be submitted to the State’s authorized representative upon written request.

### NOTICE TO INSURER:

The Contract Vendor’s insurance company(ies) waives its right to assert the immunity of the State as a defense to any claims made under said insurance.

### REQUIREMENTS FOR THE CONTRACT VENDOR:

The Contract Vendor’s policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of Contract Vendor’s performance under this Contract.

If Contract Vendor receives a cancellation notice from an insurance carrier affording coverage herein, Contract Vendor agrees to notify the State of Minnesota within five (5) business days with a copy of the cancellation notice, unless Contract Vendor’s policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to the State of Minnesota.

The Contract Vendor is responsible for payment of Contract related insurance premiums and deductibles.

If the Contract Vendor is self-insured, a Certificate of Self-Insurance must be attached.

Insurance companies must either (1) have an AM Best rating of A- (minus) and a Financial Size Category of VII or better, and be authorized to do business in the State of Minnesota or (2) be domiciled in the State of Minnesota and have a Certificate of Authority/Compliance from the MN Department of Commerce if they are not rated by AM Best.

The Contract Vendor's Umbrella or Excess Liability insurance policy may be used to supplement the Contract Vendor's policy limits to satisfy the full policy limits required by the Contract.

**POLICY REQUIREMENTS:**

1. **Workers' Compensation Insurance:**

   Statutory Compensation Coverage. Except as provided below, Contract Vendor must provide Workers' Compensation insurance for all its employees and in case any work is subcontracted, Contract Vendor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Minimum limits of liability:

   Coverage B – Employer's Liability

   $100,000 Bodily Injury by Disease per Employee

   $500,000 Bodily Injury by Disease Aggregate

   $100,000 Bodily Injury by Accident

   If Minn. Stat. § 176.041 exempts the Contract Vendor from Workers' Compensation insurance or if the Contract Vendor has no employees in the State of Minnesota, the Contract Vendor must provide a written statement, signed by the authorized signer of the Contract, stating the qualifying exemption that excludes the Contract Vendor from MN Workers' Compensation requirements.

   If during the course of the Contract the Contract Vendor becomes eligible for Workers' Compensation, the Contract Vendor must comply with the Workers' Compensation Insurance requirements included herein and provide the State of Minnesota with a certificate of insurance.

Evidence of Subcontractor insurance shall be filed with the Contract Vendor.

2. **Automobile Liability Insurance:**

The Contract Vendor shall maintain insurance to cover liability arising out of the ownership, operation, use or maintenance of all owned, hired and non-owned autos, and in case any work is subcontracted the Contract Vendor will require the subcontractor to maintain Automobile Liability insurance.

A. Minimum Limits of Liability:

$2,000,000 - Per Occurrence – Bodily Injury and Property Damage Combined Single Limit

B. Coverages:

X Owned Automobile

X Non-owned Automobile

X Hired Automobile

Evidence of Subcontractor insurance shall be filed with the Contract Vendor.

3. **General Liability Insurance:**

The Contract Vendor shall maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the Contract Vendor or by a subcontractor or by anyone directly or indirectly employed by the Contract Vendor under the Contract.

A. Minimum Limits of Liability:

$2,000,000 - Per Occurrence

$2,000,000 - Annual Aggregate

$2,000,000 - Annual Aggregate applying to Products/Completed Operations

B. Coverages

X Premises and Operations Bodily Injury and Property Damage

X Personal & Advertising Injury

X Blanket Contractual

X Products and Completed Operations

X **State of Minnesota named as an Additional Insured**

**4. Network Security and Privacy Liability Insurance (or equivalent)**

Contractor shall maintain insurance to cover claims which may arise from failure of Contractor's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of confidential or private information, transmission of a computer virus or denial of service.

Contractor is required to carry the following **minimum** limits:

$2,000,000 per occurrence

$2,000,000 annual aggregate

5. **Bonding/Fidelity (or Equivalent such as Commercial Crime Insurance, including Third Party Liability):**

The Contractor must be bonded and insured against third party loss or damage, including theft, mysterious disappearance, and employee theft/dishonesty/fidelity.

A. Minimum Limit:
$1,000,000 per occurrence

B. Coverages:
X Secured items

X Unsecured items

X Reconstruction of checks

X Other state-owned property

**Insurance certificate holder should be addressed as follows:**

State of Minnesota
Department of Administration
50 Sherburne Avenue
Room 112
St. Paul, MN 55155