

SPECIALIZED INCENTIVE PROGRAM

1. The current DGS administrative fee is set at 1.76% specified percentage of invoiced sales. The said administrative fee shall be added to the contractor billing and recovered from the participants requesting use of this contract. UPS agrees to pay to DGS the recovered administrative fee in the form of a check payable to: Department of General Services, Procurement Division - Transportation Management. UPS agrees to pay the assessed administrative fee, in a single check to the State of California within thirty days at the end of each calendar quarter. Payment of the administrative fee by UPS shall be made to DGS irrespective of reimbursement by each participating State and/or Local Governmental Agency.

The checks should be mailed to:

State of California – DGS
Procurement Division – Transportation Management
1700 National Drive
Sacramento, CA 95834-1965

DGS shall review the percentage change for such administrative fee, and shall notify UPS thirty (30) days prior to the start of the new contract year. UPS shall approve the revised percent administrative fee for the following calendar year. UPS and DGS agree that the administrative fee shall not increase by more than one (1) percent for the life of the contract.