

## **ZIP EXPRESS SERVICE AGREEMENT**

On this **1st** day of **July, 2021**, **Lexington Fayette Urban County Government**, hereinafter "Shipper" and Modco, Inc dba Zip Express, a Transportation Logistics Coordinator hereinafter "Coordinator", agree as follows

### 1. NATURE OF SERVICES

- a. Coordinator shall effect the transportation for Shipper the following designated commodities between points within the local Lexington, Kentucky and immediate surrounding counties area.
  - i. United States Mail, Interoffice materials;
  - ii. Other commodities and supplies
- b. The parties acknowledge that it is important to the business of Shipper that the time schedule for service agreed upon by the parties be met as closely as possible. Coordinator shall use its best effort to maintain said schedule. However, the parties acknowledge that it is not reasonable to expect Coordinator to guarantee that such schedule shall be met or that shipments be delivered in time for any particular market, occasion or event. Coordinator agrees to notify Shipper of delayed deliveries whenever possible.
- c. Shipper shall properly mark, package, securely seal and properly address all shipments tendered to Coordinator.
- d. Shipper agrees to maintain suitable records for shipments upon which claims for reimbursement of expenses in case of loss or damage may be filed.
- e. Shipper and Coordinator acknowledge that Coordinator, will, as a broker of transportation services, broker services to Independent Contract Drivers or Companies. In so much as Shipper acknowledges Coordinator is a broker of transportation services, drivers subject to the performance agreement are required to meet the set of Standard Operating Procedures designated by Shipper.
- f. Shipment shall mean a package or packages tendered to Coordinator for delivery.
- g. Coordinator will occasionally be required to sign for, and accept, certified mail delivery on behalf of the Shipper. Coordinator will take all reasonable precautions to ensure that such certified mail delivery is delivered without delay. If any delay becomes known to Coordinator, , Coordinator to the best of its ability will notify Shipper of this delay., .
- h. The Declared Value of any shipment represents the maximum liability in connection with a shipment, including, but not limited to, any loss, damage, delay, mis-delivery, non-delivery relating to the shipment. It is the shipper's responsibility to prove actual damages. Exposure to and risk of any loss in excess of the Declared Value is assumed by the shipper.

### **COORDINATOR DOES NOT PROVIDE CARGO INSURANCE COVERAGE OF ANY KIND.**

With respect to Zip Express Services utilized by Shipper, unless a higher value is declared and paid for, the liability for each shipment is limited to \$100. For each shipment exceeding \$100 in declared value, an additional amount will be charged for each \$100 in value. See Declared Value Rates on following page. The maximum declared value per each shipment is \$500.

Shipments containing all or part of the following items are limited to a Maximum declared value of \$200:

1. Antiques, or any commodity that exhibits the style or fashion of a past era and whose history, age or rarity contributes to its value. These items include, but are not limited to, furniture, tableware and glassware.
2. Glassware, including, but not limited to, signs, mirrors, ceramics, porcelains, china, crystal, glass, framed glass, and any other commodity with similarly fragile qualities.
3. Plasma screens.
4. Precious metals, including, but not limited to, gold and silver bullion or dust, precipitates, or platinum (except as an integral part of electronic machinery).
5. Stocks, bonds, cash letters or cash equivalents, including, but not limited to, food stamps, postage stamps (not collectible), traveler's checks, lottery tickets, money orders, gift cards and gift certificates, prepaid calling cards

(excluding those that require a code for activation), bond coupons, and bearer bonds.

6. Collector's items such as coins, stamps, sports cards, souvenirs and memorabilia. Scale models (including, but not limited to, architectural models and dollhouses) and prototypes

## Zip Express - Declared Value Rates

Declared Value Higher than \$100 per shipment -

**Cost \$3.00 per each \$100.00 increment over initial \$100.00 Base Shipment Value.**

Example – Declared Value \$400. Add \$9.00 to the shipment rate.

**If Shipper requires risk coverage over the Declared Values, Coordinator agrees to obtain quotes from a reputable insurance carrier of its choice, in an attempt to provide the requested coverage at Shipper's cost.**

### 2. TRANSPORTATION CHARGES

a. For the services described above, Shipper agrees to pay Coordinator pursuant to the rate schedule and other terms as set forth in the attached **Schedule A** - Schedule of Services and Fees and **Schedule B** - Fuel Surcharges.

b. Payment for Coordinator's service is **due upon receipt of invoice**. Coordinator agrees to handle non-cash COD shipments and will be liable only to the extent of stop payment charges for the replacement of the check or Money Order for any losses which results from the handling of some if tendered by Shipper. Federal, state and local taxes, where applicable, shall be added to Coordinator's invoice. Coordinator shall have the right to negotiate charges under this Agreement in the event of a change in economic conditions arising out of (i) increased fuel costs, as noted below or (ii) the enactment of state or federal legislation or regulations, which cause a corresponding increase in Coordinator's cost of performing services under this Agreement.

c. Shipper recognizes that the cost of fuel is a significant and volatile cost component in the provision of Coordinator's service. During the term of this Agreement Shipper hereby grants Coordinator the option to charge a fuel surcharge and Shipper agrees to pay such fuel surcharge should the average cost per gallon of regular unleaded gasoline as reported on the US Department of Energy website <https://www.eia.gov/petroleum/gasdiesel/> exceed \$2.00.

### 3. LIABILITY OF COORDINATOR

a. The transportation charges and Declared Value details as described in this agreement hereof, together with other provisions regarding limitation of Coordinator's liability, reflect the agreement of the parties concerning the risk with respect to shipments covered by this Agreement. Charges for transportation services are based upon this express agreement of the parties concerning this risk. In addition, it is agreed that Coordinator shall not be liable for consequential damages of any kind, such as loss of interest, loss of income or loss of business opportunity.

### 4. CONFIDENTIALITY

Coordinator acknowledges that in the performance of its services hereunder, Coordinator may have access to confidential business information of Shipper and Shipper's customers. Coordinator covenants and warrants to Shipper that it will keep all information relating to Shipper, or Shipper's customers in strictest confidence and acknowledges that breach of this covenant shall be grounds for termination of this Agreement by Shipper. Coordinator agrees that to the best of its ability that Coordinator vehicles will be properly secured at all times.

### 5. CLAIMS

a. Shipper shall give notice of any claims in writing to Coordinator for any loss, damage, billing error or other discrepancy under this Agreement. Notice shall be given within twenty-four (24) hours after discovery, but in no event more than ten (10) business days after the alleged loss, damage or discrepancy. **Notice of a claim(s) must be filed with Coordinator in writing within (30) days of the date of the shipment.** Unless proper notice shall have been given, all claims shall be deemed to have been waived. No action, suit or other proceeding to recover for any loss, damage, biller error or other discrepancy shall be instituted or maintained against Coordinator unless written notice shall have been given to Coordinator as described above.

b. **Within thirty (30) days after filing any claim for loss or damage under this Agreement, Shipper shall furnish Coordinator detailed written proof of such loss or damage, in form satisfactory to Coordinator**, which proof of loss or damage shall be substantiated by the receipts, books, records and accounts of Shipper and shall be subscribed and sworn to by Shipper or its duly authorized officer.

6. SERVICE INTERRUPTION

Coordinator shall not be liable for failure to perform services hereunder where such failure is caused, directly or indirectly, by strikes, labor disturbances, riots, war, insurrection, inclement weather, road closures, acts of God or any and all other causes or events beyond the reasonable control of Coordinator.

7. REGULATORY COMPLIANCE

This agreement is in accordance with, is controlled by and incorporates herein the rules and regulations on file with the Commonwealth of Kentucky and/or the Interstate Commerce Commission. Whenever any inconsistency exists between this Agreement and an applicable tariff, the tariff shall govern.

8. TERM/TERMINATION

a. This agreement shall be for a term of one (1) year, commencing on the **1st** day of **July, 2021**. It shall be automatically renewed for an additional one (1) year terms until and unless canceled at the end of any such term by either party providing ninety (90) days prior written notice. On the first anniversary date of this agreement, **July 1, 2022** an automatic increase of 4% of the base rates will be added to the existing rates and each anniversary date thereafter, an automatic increase of 2% of the then existing base rates will be added to the rates.

b. Regardless of any terms to the contrary, Shipper and Coordinator reserve the right to cancel this agreement with ninety (90) days written notice without further obligation. If Shipper chooses to cancel this agreement with less than ninety (90) days prior written notice, Shipper agrees to compensate Coordinator for the fees which otherwise would have been earned from the date services under this agreement are terminated to the date of cancellation determined by the ninety (90) days' notice requirement.

c. In the event either party (The "Defaulting" Party) shall default in the performance of its obligations herein and shall fail or refuse to remedy such default within notice from thirty (30) days after the receipt of written notice from the other party (The "Non Defaulting Party"), specifying the nature and extent of such default, the Non Defaulting Party may terminate this agreement upon thirty (30) days prior written notice to the Defaulting Party.

9. FEES/PAYMENT

Coordinator will submit an invoice to Shipper at the first of each month for services performed during the previous month. Shipper agrees to remit payment for each invoice within thirty (30) days of the date of the invoice. Additions and or changes in service will be included in each subsequent weekly invoice including the prorated amount for the week previously invoiced. Shipper agrees to pay a 1% weekly charge on past due invoices.

10. ASSIGNMENT

This agreement may not be assigned by Coordinator or Shipper without the prior written consent of opposite party. Subject to any aforementioned assignment, this agreement shall be binding upon and inure to the benefit of the successors or assigns of the parties.

11. NOTICES

Any notice required or permitted hereunder shall be sent by U.S. Mail, postage prepaid, First Class, Return Receipt Requested, as follows:

Signatures on following page:

Shipper:

Lexington Fayette Urban County Government  
200 East Main Street  
Lexington, Kentucky 40507

Attn: \_\_\_\_\_

Coordinator:

Modco, Inc dba Zip Express  
124 Venture Court  
Lexington, Kentucky 40511

Attn: Todd Page

13. CHOICE OF LAW

This agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

14. ENTIRE AGREEMENT AMENDMENT

This agreement with the exhibits attached hereto constitutes the entire agreement of the parties with respect to the services to be performed by Coordinator and may not be amended except by a written amendment signed by both parties.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year above first written.

Zip Express

Shipper: Lexington Fayette Urban County Government

By: Todd Page

By: \_\_\_\_\_

Title: Vice President, Northern Operations

Title: \_\_\_\_\_

Address: P.O. Box 33101  
(street)

\_\_\_\_\_  
(street)

Louisville, Kentucky 40511  
(city, state, zip)

\_\_\_\_\_  
(city, state, zip)

(502)515-6540  
(telephone number)

\_\_\_\_\_  
(telephone number)

**Schedule A - Schedule of Service and Fees**

<b>Service</b>	<b>Location</b>	<b>Address</b>	<b>City</b>	<b>St</b>	<b>Zip</b>	<b>Weekly Base Rate</b>
Pick up	Nandino Post Office	1088 Nandino Blvd	Lexington	KY	40511	
Deliver	LFUCG	200 East Mai St.	Lexington	KY	40507	
						\$ 42.50
(Pick up US Postal Mail and deliver to LFUCG)						
<b>(4 Week Billing as requested by LFUCG) Subtotal</b>						<b>\$ 170.00</b>
(See Schedule B for Percentage) Fuel Surcharge %						_____
<b>Weekly Total</b>						<b>=====</b>

Schedule B - Fuel Surcharges

**Zip Express Courier Service  
FUEL SURCHARGE MATRIX**

(Matrix represents cost per gallon of regular unleaded fuel)

Surcharge								
Price \$	<2.00	\$2.00	\$2.05	\$2.10	\$2.15	\$2.20	\$2.25	\$2.30
%	0.00%	0.00%	0.50%	1.00%	1.50%	2.00%	2.50%	3.00%

Surcharge								
Price \$	\$2.35	\$2.40	\$2.45	\$2.50	\$2.55	\$2.60	\$2.65	\$2.70
%	3.50%	4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%

Surcharge								
Price \$	\$2.75	\$2.80	\$2.85	\$2.90	\$2.95	\$3.00	\$3.05	\$3.10
%	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%	11.00%

Surcharge								
Price \$	\$3.15	\$3.20	\$3.25	\$3.30	\$3.35	\$3.40	\$3.45	\$3.50
%	11.50%	12.00%	12.50%	13.00%	13.50%	14.00%	14.50%	15.00%

- Over \$3.50, follow same % increase per each \$0.05 incremental increase.
- Gas prices used for the fuel surcharge will be determined by using the rates posted by the Department of Energy for the U.S.

The website for the rates is noted below:

**Gasoline**

[ht https://www.eia.gov/petroleum/gasdiesel/](https://www.eia.gov/petroleum/gasdiesel/)