

Dear Member,

Thank you for your ongoing patience as we've maneuvered through unprecedented times over the last few years. We also appreciate your continued support of our UPS Express Package & Delivery Related Services contract.

As E&I communicated on August 24, 2021 through E&I's Express Package RFP notice: The UPS contract will term out on June 13, 2022. Any member who has not yet converted to an alternative Express Package & Delivery contract by this time will be subject to UPS's standard published rates.

## Please reach out to your Member Success Manager or Sourcing Consultant for additional details, assistance, and information to mobilize transitions to alternative contracts.

The remainder of this communication will provide a high-level accounting of the enterprise-wide effort, due diligence to ensure uninterrupted and service coverage, and alternate short-term options.

In June 2021, UPS, in accordance with the termination provisions of the contract, provided E&I with 12-month written notice of UPS's intent to terminate the agreement on June 13, 2022. Citing financial difficulties with the E&I price structure and other business development factors, continuing the agreement was not feasible for UPS.

E&I Sr. Executive Leadership immediately initiated negotiations with UPS to prevent, delay, and mitigate the impact of UPS' termination. In parallel to these efforts, E&I prepared and launched an RFP to ensure service coverage for Members. UPS refused to participate in this RFP.

Due to cost-prohibitive RFP price proposals, exigent factors resulting from pandemic and inflation induced market conditions, and with every business creative option to improve RFP price proposals explored, evaluated, and exhausted to no avail, the UPS replacement RFP resulted in a "No Award."

E&I understands that the communication timing is not ideal. For this we apologize. Despite the global challenges, we remain vigilant in our efforts towards a long-term strategy that delivers competitive value to you in this space.

To aid in your transition, we've listed alternate UPS Contract options below. Please be advised that these legacy agreements, while competitive for the near term, will also be exposed to the same price challenges experienced by E&I.

Please be advised that participation will be subject to member eligibility requirements:

UPS Contract Link - Sourcewell

UPS Contract Link - NASPO