

Frequently Asked Questions

Business Relationship

What is the relationship between FedEx Ground and the contracted service providers?

FedEx Ground is a federally regulated motor carrier that specializes in small package information, transportation, pickup and delivery, and provides services to the United States and Canada.

FedEx Ground contracts with independent businesses that utilize their own employees to provide package pickup, delivery and/or transportation services to customers within an agreed upon service area. These independent businesses, or contracted service providers, retain authority to determine the best means to meet customer expectations and demands, including complete discretion over and responsibility for delivery work area configuration, route design, delivery sequence, type and number of equipment, and staffing and personnel decisions.

What type of corporations does FedEx Ground do business with?

FedEx Ground contracts with independent businesses that are established as for profit corporations under state/provincial law in the United States or Canada, and not, for example, with LLCs, LLPs, sole proprietorships, partnerships or limited partnerships (LTDs). Businesses must be registered and remain in good standing in the states/provinces in which it is incorporated and in which it conducts business. FedEx Ground does not contract with businesses that have company names that conflict with or infringe upon FedEx trademark, copyright, and/or brand/customer service interests.

Is this a franchise opportunity?

No. FedEx Ground and the contracted service providers do not have a franchise or franchisee relationship. As a corporate entity and employer, the contracted service providers have the sole right and obligation to determine how best to ensure that the agreed upon results are met.

What are the responsibilities of a contracted service provider?

Contracting with FedEx Ground, independent businesses provide two types of services to FedEx Ground and its customers:

Pickup and Delivery (P&D) — Using vans or small trucks, picking up packages from shippers and transporting to the local FedEx Ground station — and, from the destination station, delivering to business and residential recipients.

Linehaul — Transporting FedEx Groundowned trailers over the road from station to hub, hub to hub, and hub to station — and, in some cases, between customer locations and stations or hubs (“spotted trailers” or “spots”).

How are contracted service providers compensated?

Contracted service providers are paid an agreed upon amount, based on the volume of stops and packages delivered and other terms provided for in the agreement with FedEx Ground. Payments for services rendered are made on a weekly basis.

Driving Personnel

Do business owners have to be qualified to operate a tractor/delivery vehicle and be certified to drive?

No. The business owners are not required to operate, or be licensed to operate, motor vehicles. However, a business owner who wishes to drive under FedEx Ground's motor carrier authority may do so if he or she meets all agreed upon safety standards and completes the driver qualification process.

Who employs the drivers?

As independent businesses, contracted service providers employ their own personnel, bearing all responsibilities for:

- Employer related expenses, including wages, salaries, benefits, employment taxes, unemployment insurance, workers' compensation coverage, and any others mandated by local, state/provincial and federal governments
- Payroll deductions, maintaining payroll and employment records, and complying with all applicable local, state and federal/provincial laws (including wages, deductions, overtime, rest and meal periods, etc.) including the U.S. Fair Labor Standards Act as applicable
- Training their personnel
- Ensuring employees are legally authorized to work in the United States (or Canada as appropriate)

Who provides uniforms?

Each agreement with FedEx Ground contains its own apparel standards. Generally speaking, however, the contracted service providers agree to provide FedEx Ground approved apparel for all employees who have contact with the public, under the terms of the agreement.

Vehicles

Who provides insurance for trucks, liability, etc.?

Under the terms of the agreement, it is a contracted service provider's responsibility to obtain insurance coverage, including, but not limited to, public liability (automobile/truckers bodily injury and property damage coverage) and workers' compensation, consistent with the agreed upon minimum coverage requirements. FedEx Ground maintains insurance coverage for public liability, and cargo loss and damage risks. In Canada, contracted service providers agree to obtain statutorily required minimum thirdparty liability, vehicle coverages, and cargo insurance.

Does FedEx Ground offer a vehicle lease program?

No. FedEx Ground does not lease vehicles to contracted service providers. It is the responsibility of the contracted service provider to obtain the appropriate equipment to provide services under the agreement.

Linehaul

Does FedEx Ground supply base plates?

A contracted service provider may annually register its own tractors to obtain base plates or it may authorize FedEx Ground to obtain base plates on its behalf. If FedEx Ground obtains the base plates, the contractor service provider agrees to provide all documentation required by the registering state and to bear the cost of the registration and base plate.

Local Pickup and Delivery

How is a pickup and delivery contracted service area defined?

A contracted service area can consist of one or more contiguous full or partial ZIP/postal codes and/or street address ranges, in a geographic area that is both business and residential. Contracted service areas are subject to minimum and maximum stop scale guidelines, depending on station size.

Is there a maximum number of contracted service areas I could contract for?

A maximum of one contracted service area can be contracted for, per contracted service provider, per station.

Getting Started

Who do I contact for more information?

If your business would like to learn more about contracting to provide services to FedEx Ground, click on the [“Get Started”](#) button to create an account or search for opportunities.

How would I find current contracted service providers selling their business or assets?

FedEx Ground does not facilitate the sale or purchase of an existing contracted service provider’s business or assets. Click on the [“Find Contracting Opportunities”](#) button for current opportunities available through FedEx Ground, or click the [“Get Started”](#) button to create an account.