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RFP Due Date: November 15, 2016	NASPO ValuePoint Master Agreement for Mailroom Equipment, Supplies and Maintenance
Lead State Entity:	Offeror:
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Document

**OPEX's Exceptions
 NASPO ValuePoint Master Agreement for Mailroom Equipment, Supplies and
 Maintenance**

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Section 2: Solicitation Requirements, Information and Instructions to Offerors

2.3 Preparation of Proposals

2.3.12 Contract Payment Terms (page 11 of the RFP)

OPEX's standard payment terms are net thirty (30) calendars from the date of delivery of the Model 72 extractor. For provision of on-call maintenance services for the Model 72 extractor, OPEX's standard payment terms are net thirty (30) calendars from the date the end-user receives the applicable invoice, based on the prepayment annually in advance payment option.

Section 3: Scope of Work

3.2 Products

3.2.1 (pg. 19 of the RFP)

OPEX is submitting a response only for the extractor category and as such, we are offering the OPEX Model 72 extractor. OPEX is the original equipment manufacturer for the Model 72 product. For reference purposes, OPEX also offered for purchase the Model 72 extractor product under the now expired WSCA (Western States Contracting Alliance) Contract ADSP011-00000411-5 for the extractor category which expired on October 11, 2016.

While the OPEX Model 72 extractor opens envelopes in accordance to our published specifications, we are reasonably not aware that the OPEX Model 72 is subject to the approval of the USPS®.

3.2.1.6 (pg. 20 of the RFP)

OPEX is submitting a response only for the extractor category and as such, we are offering the OPEX Model 72 extractor (as a new product, not a remanufactured and/or reconditioned product) which is not identified as EnergyStar compliant.

3.3.2 (pg. 21 of the RFP)

OPEX does not inventory our equipment, including the proposed Model 72 product and we build the product upon receipt of a firm equipment purchase order. As such, while we will not be able to deliver the Model 72 within twenty (20) business days as stated in the second paragraph of this Section 3.3.2, we will agree to discuss a mutually agreed upon delivery timeframe with the Participating Entity which is also stated in this Section 3.3.2. Please note as part of OPEX's standard purchase process, OPEX's Account Executive will discuss with the purchaser the anticipated delivery timeframe for the OPEX Model 72 product. For reference, OPEX's average delivery timeframe is ninety (90) calendar days following receipt of a firm equipment order.

3.4 Training and Support Services (pg. 22 of the RFP)

OPEX's Sales and Service team members will install the Model 72 at the Participating Entity's equipment site and will provide operator training to the Participating Entity's personnel on the operation of the Model 72. As such, in reference to the second paragraph under Section 3.4, while OPEX does have a toll-free telephone number, we do not provide installation and/or operational instructions by telephone. All installation and/or operational instructions are provided in person, by an OPEX Sales and/or Service representative, physically located at the Participating Entity's equipment site.

The Participating Entity can call OPEX's toll-free telephone number to place a service call request for their Model 72 product.

3.7 Software purchases or subscriptions (pg. 23 of the RFP)

The following is a clarification and not an exception to Section 3.7:

OPEX is submitting a response only for the extractor category and as such, we are offering the OPEX Model 72 extractor (as a new product, not a remanufactured and/or reconditioned product) and there are no recurring annual software licenses for the OPEX Model 72.

3.8 Equipment Performance (pg. 23 – 24 of the RFP)

OPEX respectfully requests that any equipment performance related issues shall be based on OPEX's proposed warranty terms as provided under Sub-Section 18 titled "Warranty" of Section 6 titled "NASPO ValuePoint Master Agreement Terms and Conditions" as provided on page 19 of this document. For reference purposes, the warranty period for the Model 72 extractor is one (1) year from the date of acceptance.

Based on OPEX's above comments, we are respectfully requesting this Section 3.8 (including Sub-Section 3.8.1 and 3.8.2) be deleted in its entirety due to the reasons set for below:

OPEX cannot agree to any kind of financial payment penalty, i.e. granting a "credit" or agreeing to "replace the equipment" as the result of equipment downtime. There are many reasons for this.

First, OPEX equipment is manufactured based upon firm orders received. OPEX does not stock machines and therefore, no inventory of "replacement" equipment is available.

Second, OPEX has no other contracts in place that provide for liquidated damages, maintenance reductions, or replacement machines. This is true even with major credit card companies and major banks that rely on OPEX products to process millions of dollars worth of payments daily. Further, OPEX already does business with all of the states currently participating in NASPO; no such provision exists with respect to any state.

Third, even without such a provision, OPEX strives to exceed contract requirements because experience has shown that when OPEX carefully monitors its performance, the result is a very satisfied customer who will repeatedly choose OPEX products and services. As an example, OPEX maintains a rigorous schedule of preventive maintenance so that remedial maintenance calls can be minimized.

Fourth, just as OPEX does not agree to pay damages or supply replacement equipment for "down" equipment, OPEX also does not request additional payments or compensation for customer productivity or machine availability that *exceeds* customer expectations, which it frequently does. All of these contingencies are factored into OPEX's published price schedules.

Finally, financial penalty clauses are really the equivalent of an insurance policy. The cost of this additional "insurance" is simply not built into the purchase or maintenance rates quoted.

3.9.1 Maintenance on Purchased Equipment (pg. 24– 25 of the RFP)

Under Sub-Section 3.9.1, it states that "on-site service shall be available on an immediate need service call basis." Please take note when a Purchasing Entity purchases OPEX's on-call maintenance service program, OPEX will exert all reasonable efforts to respond on site within four (4) hours following receipt of a Participating Entity's request for service, during our standard on-call coverage hours of 7 AM – 3 PM, site local time, Monday through Friday, excluding OPEX's holidays. To acknowledge receipt of the service call request, OPEX will call the Participating Entity within two (2) hours following receipt of the Participating Entity's service call, during our standard on-call coverage hours of 7 AM – 3 PM, site local time, Monday through Friday, excluding OPEX's holidays. The on-call maintenance service response time and on-call coverage hours also apply to the OPEX Model 72 during the one (1) year warranty period.

OPEX observes the following holidays: New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving, and Christmas Day.

Please take note OPEX *is not* offering a time and materials option as a service option for the Model 72 extractor product. For reference purposes, OPEX also did not offer a time and materials option as a service

option for the Model 72 extractor product under the now expired WSCA (Western States Contracting Alliance) Contract ADSPO11-00000411-5 for the extractor category which expired on October 11, 2016.

3.10 Service Level Agreements (pg. 25 of the RFP)

3.10.1.2

As a form clarification regarding the four (4) hour response time, when a Purchasing Entity purchases OPEX's on-call maintenance service program, OPEX will exert all reasonable efforts to respond on site within four (4) hours following receipt of a Participating Entity's request for service, during our standard on-call coverage hours of 7 AM – 3 PM, site local time, Monday through Friday, excluding OPEX's holidays. To acknowledge receipt of the service call request, OPEX will call the Participating Entity within two (2) hours following receipt of the Participating Entity's service call, during our standard on-call coverage hours of 7 AM – 3 PM, site local time, Monday through Friday, excluding OPEX's holidays. The on-call maintenance service response time and on-call coverage hours also apply to the OPEX Model 72 during the one (1) year warranty period.

OPEX observes the following holidays: New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving, and Christmas Day.

3.10.18 Loaner Equipment

As noted in OPEX's response to Section 3.8 above, OPEX equipment is manufactured based upon firm orders received. OPEX does not stock machines and no inventory of "replacement" equipment is available. Therefore, OPEX does not have loaner equipment to offer.

We do want to inform you that during the one (1) year warranty period and the purchase of an annual on-call maintenance service plan that is being offered by OPEX in this response does include the replacement of parts for the Model 72 extractor.

Only new standard parts or parts of equal quality shall be used in providing on-call maintenance services.

OPEX cannot guarantee that all repairs can be completed within twenty-four (24) hours of response because it is impossible to stock on site all parts that might fail. Further, electro-mechanical service is such that some repairs, by their very nature, require more time to complete. To minimize downtime and expedite repairs, however, OPEX normally stock the parts required for servicing within an area that is in proximity to the equipment site. In the rare instances where a part is required that is not stocked by OPEX technicians, it is shipped **overnight** via United Parcel Service or via another expeditious means. In some instances, **if a part is critical to the Purchasing Entity's operation, it can be shipped on the next available flight into a nearby commercial based airport from Philadelphia International Airport.**

3.14 Software Maintenance (pg. 27 of the RFP)

The following is a clarification and not an exception to Section 3.14:

OPEX is submitting a response only for the extractor category and as such, we are offering the OPEX Model 72 extractor (as a new product, not a remanufactured and/or reconditioned product) and there are no recurring annual software licenses and/or software maintenance required for the OPEX Model 72.

3.15 Equipment Leasing (pg. 27 of the RFP)

The following is a clarification and not an exception to Section 3.15:

OPEX is submitting a response only for the extractor category and as such, we are offering the OPEX Model 72 extractor for direct purchase only and is not offering an equipment leasing option.

3.16 Equipment Rental (pg. 27 of the RFP)

The following is a clarification and not an exception to Section 3.16:

OPEX is submitting a response only for the extractor category and as such, we are offering the OPEX Model 72 extractor for direct purchase only and is not offering an equipment rental option.

3.18 Customer Service and Representation (pg. 29 of the RFP)

3.18.1 – Dedicated Representation and Timely Response

The following is a clarification and is not considered an exception to Section 3.18.1:

OPEX is the original equipment manufacturer for the Model 72 extractor product and has a dedicated sales department that sells equipment throughout the fifty (50) states including Washington D.C for which all are direct employees of OPEX. OPEX also has a dedicated service department that services the Model 72 product throughout the fifty (50) states including Washington D.C for which all are direct employees of OPEX. As such, OPEX does not use dealers and/or partners to sell the extractors.

Based on State of Arizona's response to OPEX's question #22 as listed on IPRO, State of Arizona has stated we do not need to complete Attachment D – the Authorized Dealer/Partner, Sales and Service Provider Form for the reasons set forth above.

3.18.2 – Problem Escalation

Please refer to OPEX's response under Section 3.18.1 above. If the Purchasing Entity has a maintenance related question and/or concern, then the Purchasing Entity can contact OPEX's Regional Service Manager via email and/or phone during OPEX's regular business hours of 8 AM to 5 PM, site local time, Monday through Friday, excluding OPEX holidays.

A brief description of OPEX's Regional Service Manager is provided below:

OPEX Regional Service Manager: The Regional Service Manager is responsible for overseeing equipment performance, insuring that warranty service is performed, and for implementing any maintenance service resulting from the project. The Regional Service Manager will make periodic visits to the equipment site. Concerns with equipment maintenance or performance may be addressed to the OPEX Regional Service Manager.

Upon request, OPEX will provide the names of the OPEX Regional Service Manager that oversees a specific service territory within each of the fifty states and Washington D.C.

For reference purposes, the following is the structure of OPEX's service team:

Service Technician → Regional Service Manager → National Service Manager → Director of Field Services → President of Incoming and Scanning Division

3.20 Line Item Specifications

Extractors (page 37 of the RFP)

With respect to the 2nd bullet point which states the following: "One, Two, or Three Sided Opening," the OPEX Model 72 has one and/or two sided openings and can be configured with top cut being either Milling or Slicing (Milling is strongly preferred if you want to minimize cut contents). Additionally, top and side cut can be turned on or off per job requirements.

Equipment Relocation Services (page 39 of the RFP)

OPEX does not have the necessary transportation vehicles and/or equipment necessary to assist a customer in relocating and/or moving the OPEX Model 72.

We will, however, assist the purchaser in disassembling and packaging the Model 72 at the original equipment site and will assist in reassembling and installing the Model 72 at the new equipment site within Zone 1 (100 yards or less; or within the same building).

However, we do charge a fee in assisting the purchaser in disassembling and packaging the Model 72 at the original equipment site and will assist in reassembling and installing the Model 72 at the new equipment site that are outside of Zone 1, at an additional cost. The cost for this process is not included in this response and is also not included in the annual on-call maintenance service price. Such additional cost will be provided to the purchaser in the form of a written quote once we receive additional information from the end-user regarding the location of the new equipment site. The cost of the additional cost will also include inspection of the Model 72 at the new equipment site to ensure that the equipment did not incur any damage during the relocation process.

Section 4: NASPO ValuePoint Master Agreement Statement of Compliance

4.1 (pg. 40 of the RFP)

Please kindly refer to OPEX's comments to Section 6 (NASPO ValuePoint Agreement Terms and Conditions) under page 7 of this document.

4.1.a Insurance (pg. 40 of the RFP)

OPEX provides commercial general liability, automobile liability and workers compensation. A current copy of OPEX's insurance certificate is provided under Attachment A of this document titled "Exceptions", located on page 20 and are in compliance with the requirements as identified under Sub-Section 21 of Section 6 titled "NASPO ValuePoint Master Agreement Terms and Conditions."

4.1.c NASPO ValuePoint eMarket Center (pg. 40 of the RFP)

As a condition of submitting a response to this RFP for the extractor category, OPEX will only agree to provide an online hosted catalog as described under (c)(2)(a) of eMarket Center Appendix under page 65 of the RFP which will allow buyers to use the NASPO ValuePoint eMarket Center. However, OPEX will not agree to provide a punchout site. Additionally, OPEX will reasonably work with SciQuest as described under Sub-Section 9 of Section 6 to the RFP titled "NASPO ValuePoint Master Agreement Terms and Conditions" on pages 49 -50 of the RFP to provide the information needed to upload a hosted catalog to the NASPO ValuePoint eMarket Center. OPEX's IT Department will also be able to provide the necessary technical assistance that may be needed to upload the hosted catalog to the NASPO ValuePoint eMarket Center.

4.2 Lead State Terms and Conditions (pg. 41 of the RFP)

Please kindly refer to OPEX's comments to Section 7 (Lead State Terms and Conditions) under page 14 of this document.

4.3 Participating State Terms and Conditions (pg. 41 of the RFP)

Per State of Arizona's response to OPEX's question # 24 as provided in IPRO, it is OPEX's understanding that the Participating State Specific Terms and Conditions provided in Attachments I through Y of the RFP are informational purposes only and OPEX will have an opportunity to discuss and negotiate with individual Participating States only in the event we are awarded the Master Agreement for the extractor category. Additionally, the opportunity will only become available to OPEX only if these individual Participating States are interested in entering into a Participating Addendum with OPEX for the extractor category. OPEX further understands each individual Participating State reserves the right to negotiate additional terms and conditions with OPEX when negotiating and executing a Participating Addendum with the applicable individual Participating State. Based on the above, at the time OPEX submits its response to this RFP, we are not required to provide any comments to Attachments I through Y of the RFP.

Section 6: NASPO ValuePoint Master Agreement Terms and Conditions

1. Master Agreement Order of Precedence

It is OPEX's interpretation that Section 6 titled "NASPO ValuePoint Master Agreement Terms and Conditions" will take precedence over the terms under Section 7 titled "Lead State (State of Arizona) Terms and Conditions" unless otherwise specified in Section.

9. NASPO ValuePoint eMarket Center (page 49 of the RFP)

a. As stated in OPEX's response under 4.1.c of the RFP titled "NASPO ValuePoint eMarket Center," as a condition of submitting a response to this RFP for the extractor category, OPEX will only agree to provide an online hosted catalog as described under (c)(2)(a) of eMarket Center Appendix under page 65 of the RFP which allow buyers to use the NASPO ValuePoint eMarket Center. However, OPEX will not agree to provide a punchout site.

Additionally, OPEX will reasonably work with SciQuest as described under Sub-Section 9 of Section 6 to the RFP titled "NASPO ValuePoint Master Agreement Terms and Conditions" on pages 49 -50 of the RFP to provide the information needed to upload a hosted catalog to the NASPO ValuePoint eMarket Center.

b. Please refer to OPEX's response under Sub-Section 9(a) directly above.

c. Please kindly advise if the thirty (30) day period can be extended to a ninety (90) calendar day period as provided under Section (c)(1) of Section titled "eMarket Appendix" located on page 65 – 67 of the RFP.

11. Price and Rate Guarantee Period (page 50 of the RFP)

OPEX thoroughly reviews and examines both our purchase and maintenance prices on an annual basis using various factors. As such, in reviewing State of Arizona's response to OPEX's question # 26 as provided on IPRO, we respectfully request that the price increase and/or adjustment consideration should not be based only on Producer Price Index (PPI).

We further request the price increase consideration and/or adjustment should be based on a multitude of factors including Producer Price Index (PPI), labor costs, fuel costs, and the cost for purchasing raw metal based materials. Since OPEX is the original equipment manufacturer and the service provider for the Model 72 extractor product, we examine these aforementioned factors on an annual basis in determining a reasonable price adjustment to the applicable prices.

OPEX will provide its proposed MSRP prices along with the applicable discount percentages for the Model 72 extractor product for approval by the Lead State following conclusion of the initial term of the Master Agreement which consists of two (2) years from the date of award.

15. Laws and Regulations (page 53 of the RFP)

OPEX acknowledges and agrees, to the extent that is reasonably applicable to the Model 72 extractor product and related on-call maintenance services.

16. Inspection and Acceptance (page 53 – 54 of the RFP)

OPEX is respectfully requesting the incorporation of the following written criteria information into this Section 16 to insure satisfactory operability of the Model 72 product, in accordance with the Acceptance Test Criteria as provided below ("Acceptance Criteria).

Model 72 Acceptance Test Criteria

During the Acceptance Testing period, the Purchasing Entity shall only use the Model 72 product for training purposes and shall not use the Model 72 product for production purposes, including but not limited to processing normal, daily mail volumes. For avoidance of doubt, inspection will be conducted by the Purchasing Entity within two (2) to three (3) business days following delivery of the Model 72 to the equipment site. Additionally, installation will occur promptly following delivery of the Model 72 at the Purchasing Entity's equipment site and the Acceptance Testing period will commence on the business day installation is completed by OPEX.

I. Condition and Completeness of the Machine.

General appearance must be acceptable, with no significant visible damage, and all hardware in place.

II. Model 72 Specifications

- | | | |
|-----|---------------------|--------------|
| 1.) | Envelope Height: | 3.5" – 6.38" |
| 2.) | Envelope Length: | 5" – 11.5" |
| 3.) | Envelope Thickness: | Up to 0.375" |

III. One (1) Hour Live Run Test for Acceptance.

1.) Description of Test:

This test is highly operator-dependent; therefore, the Model 72 must be operated in accordance to OPEX's supplied Model 72 Operator's Manual. The Acceptance Test will run exactly one (1) hour using the Purchasing Entity's own mail, at which time the Acceptance Test will terminate. During the Acceptance Test, the following functions can be observed and/or performed on the Model 72 System:

2.) Mail can be loaded onto the Feeder Section:

a. The Model 72 feeder allows for various size and thickness of envelopes (as specified in Section II) - it will be necessary for the operator to load the Conveyer with up to 22" of mail.

b. Prior to start of Acceptance Test – the Top Cutter and Side Cutter will be set to accommodate the type of mail used for test.

3.) The Model 72 System can be powered up when the "Start" key is pressed:

a. The Performance Control Center displays copyright and performance information;
b. The "Operator Main Menu" screen appears on the Performance Control Center; and
c. The machine display allows for the selection of various operators, jobs, and processing settings.

4.) The Model 72 System can be operated in the Content Activation Mode, Differential Mode, or Content Removal Activation Mode.

5.) When operated in the Content Activation Mode (the usual mode of operation), the machine should perform the following functions:

- a. Pressing the "Push to Cycle" button will advance the envelope.
- b. The envelope will be auto-jogged to shift contents away from the cut edges.
- c. The envelope will be opened on the top (and the side, if the "side-cut" option is chosen)
- d. Envelope sides will be held open by suction cups; and
- e. The machine will cycle envelopes automatically, assuming all contents are removed.

6.) The Verifier will determine if contents have been left in the envelope:
a. If contents remain in envelope, the Model 72 System will immediately stop running and notify the operator; and
b. Machine cycling can be re-started by pressing the "Push to Cycle" button

7.) Empty envelopes will automatically be discarded into the trash bin.

8.) The Performance Control Center will display processing statistics, including Count (number of envelopes processed), Job Run Time (number of hours and minutes a job has been active), and Rate (number of pieces processed divided by the job run time).

9.) Printer Test (If Applicable):

- a. In the Supervisor mode, the printer will automatically print performance statistics if the "Print Data" option is selected.

17. Payment (page 55 of the RFP)

If a Purchasing Entity chooses to remit payment via a credit card, then OPEX will only accept credit cards through the Visa and MasterCard credit card network.

18. Warranty (page 55 of the RFP)

OPEX is respectfully requesting the following changes (including proposed additional language) to Section 18 as shown in **bold blue font**.

"Warranty provisions govern where specified elsewhere in the documents that constitute the Master Agreement; otherwise this section governs. The Contractor warrants for a period of one year from the date of Acceptance that: (a) the Product performs according to all specific claims that the Contractor made in its response to the solicitation, (b) the Product is suitable for the ordinary purposes for which such Product is used **in accordance and subject to Contractor's published description of the Product**, (c) the Product **meets the Contractor's published performance specifications is suitable for any special purposes identified in the solicitation or for which the Purchasing Entity has relied on the Contractor's skill or judgment**, (d) the Product is designed and manufactured in a commercially

reasonable manner, and (e) the Product is free of defects. Upon breach of the warranty, the Contractor will repair or replace **defective parts contained within** (at no charge to the Purchasing Entity) the Product whose nonconformance is discovered and made known to the Contractor. **Additionally, Contractor shall perform preventive maintenance on the Product. All labor during the one (1) year warranty period is performed during Contractor's on-call coverage hours of 7 AM – 3 PM, site local time, Monday through Friday, excluding Contractor's holidays. If the repaired and/or replaced Product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation, actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.**

THE FOREGOING EXPRESS WARRANTIES ARE EXCLUSIVE AND MADE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THOSE OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CONTRACTOR SHALL NOT BE LIABLE FOR ANY DAMAGES ARISING OUT OF OR IN CONNECTION WITH ITS PERFORMANCE PURSUANT TO THIS MASTER AGREEMENT, THE PRODUCTS OR SERVICES SOLD HEREUNDER, OR THEIR USE BY THE PURCHASING ENTITY AND SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES TO PROPERTY, PERSONS OR OTHERWISE, TO THE FULLEST EXTENT PERMITTED BY LAW, ARISING OUT OF OR IN CONNECTION WITH THIS MASTER AGREEMENT, THE PRODUCTS AND SERVICES SOLD HEREUNDER, OR THE OPERATION OF THE PRODUCTS, REGARDLESS OF WHETHER OR NOT CONTRACTOR HAS ACTUAL KNOWLEDGE OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE.

PURCHASING ENTITY AND CONTRACTOR AGREE THAT PURCHASING ENTITY'S SOLE AND EXCLUSIVE REMEDY HEREUNDER THIS SECTION 18 SHALL BE LIMITED TO DAMAGES IN AN AMOUNT NOT TO EXCEED THE AMOUNT OF THE PURCHASE PRICE OF A PARTICULAR PRODUCT. ALL ACTIONS ON THE WARRANTIES HEREUNDER MUST BE COMMENCED WITHIN TWELVE (12) MONTHS FROM THE FIRST DAY OF THE ONE(1) YEAR WARRANTY PERIOD WHICH WILL COMMENCE FROM THE DATE OF ACCEPTANCE OR BE OTHERWISE LOST. THIS LIMITED WARRANTY AND THE LIMITATION ON REMEDIES CONTAINED HEREIN ARE REFLECTED IN THE PURCHASE PRICE OF THE PRODUCT."

19. Title of Product (page 55 of the RFP)

OPEX is respectfully requesting the following proposed additional language be incorporated into Section 19 as shown in **bold blue font**.

"Upon Acceptance by the Purchasing Entity, Contractor shall convey to Purchasing Entity title to the Product free and clear of all liens, encumbrances, or other security interests. However, the Purchasing Entity will be responsible for loss or damage to the Product which is caused by the Purchasing Entity's employees, agents, and/or third parties' acts or omissions from the date the Product is delivered of the Product to the Purchasing Entity's equipment site and prior to the Acceptance of the Product by the Purchasing Entity. Transfer of title to the Product shall include an irrevocable and perpetual license to use any Embedded Software in the Product. If Purchasing Entity subsequently transfers title of the Product to another entity, Purchasing Entity shall have the right to transfer the license to use the Embedded Software with the transfer of Product title. A subsequent transfer of this software license shall be at no additional cost or charge to either Purchasing Entity or Purchasing Entity's transferee."

20. License of Pre-Existing Intellectual Property (page 55 of the RFP)

OPEX is respectfully requesting the following proposed additional language be incorporated into Section 20 as shown in **bold blue font**.

“Contractor holds intellectual property rights in the Product, which includes the Product’s computer operating system, software components, and mechanical components which is owned exclusively and solely by the Contractor. As such, no right, title, or interest, in whole or in part, to the intellectual property rights in the Product, will be transferred and/or assigned to any Participating Entity in connection with the sale of the Product to the Participating Entity.”

22. Records Administration and Audit (page 57 of the RFP)

With respect to sub-Section 22(a), OPEX respectfully requests that we receive at least thirty (30) calendar days’ advance written notice from the Lead State and/or the designated third party prior to conducting an audit at OPEX’s facility located in Moorestown, New Jersey.

With respect to sub-Section 22(b), OPEX respectfully requests that in the event OPEX and the designated third party that is reviewing our documentation specifically relating to the Master Agreement mutually determines that an overpayment was made to OPEX, OPEX shall then make a single adjusting payment within 30 days. Any audit of OPEX’s books and records shall be at the reviewing party’s cost and expense.

23. Confidentiality, Non-Disclosure, and Injunctive Relief (page 57 – 58 of the RFP)

In addition to having OPEX maintain information that is confidential to a Purchasing Entity in accordance to the terms of this Section 23, OPEX respectfully requests that the Purchasing Entity be subject to the same confidentiality obligations set forth in this Section 23, as it pertains to OPEX’s confidential information.

OPEX’s confidential information includes trade secrets, customers (including identities, characteristics and activities), business plans, strategies, forecasts or forecast assumptions, operations, methods of doing business, records, finances, assets, intellectual property, technology (including computer software and hardware products, data bases, programs, data processing and communications networking systems), data, codes or other information that reveal the research, technology, practices, procedures, processes, methodologies, know how, services, applications and methods of operations or doing business are developed, conducted or operated, and all information or materials derived therefrom or based thereon.

33. Indemnification (page 62 – 63 of the RFP)

- a. OPEX reasonably believe the reference to Section 7.1W of this RFP as written in Section 33 should be revised to reference Section 7.1M of this RFP, located on page 71 through the top of page 72 of the RFP. Please note there is no Section named “7.1W” within Section 7 of this RFP.

Please refer to OPEX’s comments regarding Section 7.1M, located on page 14 of this document which will also apply to this Section 33(a).

- b. Please refer to OPEX’s comments regarding Sub-Section 6.2 of Section 7.2, located on pages 17-18 of this document which will also apply to this Section 33(b).

Additionally, the following is OPEX’s proposed changes (including proposed additional verbiage) to Section 33(b)(1) and (b)(2) as shown in **bold blue font**.

“b. Indemnification – Intellectual Property. Indemnification by the Contractor of the Lead State is government by Section 7.2, State of Arizona Uniform Terms and Conditions, subsection 6.2. Otherwise, the Contractor shall defend, indemnify and hold harmless NASPO, NASPO Cooperative

Purchasing Organization LLC (doing business as NASPO ValuePoint), Participating Entities, Purchasing Entities, along with their officers, agents, and employees as well as any person or entity for which they may be liable ("Indemnified Party"), from and against claims, damages or causes of action including reasonable attorneys' fees and related costs arising out of the claim that the Product or its use, infringes a **United States, European Union and/or Canadian** Intellectual Property rights ("Intellectual Property Claim") of another person or entity.

(1) The Contractor's obligations under this section shall not extend to any combination of the Product with any other product, system or method, unless the Product, system or method is:

- (a) provided by the Contractor or the Contractor's subsidiaries or affiliates;
- (b) specified **in writing** by the Contractor to work with the Product; or
- ~~(c) reasonably required, in order to use the Product in its intended manner, and the infringement could not have been avoided by substituting another reasonably available product, system or method capable of performing the same function; or~~
- ~~(d) It would be reasonably expected to use the Product in combination with such product, system or method.~~

(2) The Indemnified Party shall notify the Contractor within a reasonable time after receiving notice of an Intellectual Property Claim. Even if the Indemnified Party fails to provide reasonable notice, the Contractor shall not be relieved from its obligations unless the Contractor can demonstrate that it was prejudiced in defending the Intellectual Property Claim resulting in increased expenses or loss to the Contractor. If the Contractor promptly and reasonably investigates and defends any Intellectual Property Claim, it shall have control over the defense and settlement of it. However, the Indemnified Party must consent in writing for any money damages or obligations for which it may be responsible. The Indemnified Party shall furnish, at the Contractor's reasonable request and expense, information and assistance necessary for such defense. If the Contractor fails to vigorously pursue the defense or settlement of the Intellectual Property Claim, the Indemnified Party may assume the defense or settlement of it and the Contractor shall be liable for all costs and expenses, including reasonable attorneys' fees and related costs, incurred by the Indemnified Party in the pursuit of the Intellectual Property Claim. ~~Unless otherwise agreed in writing, this section is not subject to any limitations of liability in this Master Agreement or in any other document executed in conjunction with this Master Agreement.~~

In the defense or settlement of a claim pursuant to this Section 33b, Contractor may:

(i) obtain for the end-user the right to continue using the Product; (ii) replace or modify the Product so that it becomes non-infringing; or (iii) if remedies (i) and (ii) are not reasonably available, grant the end user a depreciated refund pro-rata based upon a sixty (60) month life, measured from the original installation date of the infringed Product.

Contractor shall not have any liability if the alleged infringement is based upon the use or sale of the Product in combination with other products or devices not furnished or approved by Contractor. CONTRACTOR DISCLAIMS ALL OTHER LIABILITY FOR PATENT, COPYRIGHT OR TRADEMARK INFRINGEMENT, INCLUDING ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, AND THE RIGHTS STATED HEREIN ARE THE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY."

eMarket Center Appendix (page 65 – 67 of the RFP)

a. As stated in OPEX's response under 4.1.c of the RFP titled "NASPO ValuePoint eMarket Center" and Sub-Section 9 of Section 6 titled "NASPO ValuePoint Master Agreement Terms and Conditions", as a condition of submitting a response to this RFP for the extractor category, OPEX will only agree to provide an online hosted catalog as described under (c)(2)(a) of eMarket Center Appendix under page 65 of the RFP which allow buyers to use the NASPO ValuePoint eMarket Center. OPEX's in-house IT Department will also be able to provide the necessary technical assistance that may be needed to upload the hosted catalog to the NASPO ValuePoint eMarket Center. However, OPEX will not agree to provide a punchout site.

Additionally, OPEX will reasonably work with SciQuest as described under Sub-Section 9 of Section 6 to the RFP titled "NASPO ValuePoint Master Agreement Terms and Conditions" on pages 49 -50 of the RFP to provide the information needed to upload a hosted catalog to the NASPO ValuePoint eMarket Center.

b. Please refer to OPEX's above response regarding our requirement to interface with the eMarket Center under the hosted catalog option only and not the punchout site option.

c. As stated in our responses under (a) and (b) above, OPEX will only agree to provide an online hosted catalog but will not agree to provide a punchout site.

c (1). OPEX is respectfully requesting an extension to complete the hosted catalog from ninety (90) calendar days to one hundred and twenty (120) calendar days.

c (2). As stated in our responses under (a), (b) and (c) above, OPEX will only agree to provide an online hosted catalog but will not agree to provide a punchout site.

c (2)(b). As stated in our responses under (a), (b) and (c) above, OPEX will only agree to provide an online hosted catalog but will not agree to provide a punchout site.

f. Minimum Requirements. OPEX agrees to the requirements (1 through 6) based on the understanding that OPEX will only agree to provide an online hosted catalog but will not agree to provide a punchout site.

Section 7: Lead State (State of Arizona) Terms and Conditions

7.1 State of Arizona Special Terms and Conditions

F. Price or Rate Adjustment (page 68 of the RFP)

OPEX thoroughly reviews and examines both our purchase and maintenance prices on an annual basis using various factors. As such, we respectfully request that the price increase and/or adjustment consideration should not be based only on Producer Price Index (PPI).

We further request the price increase consideration and/or adjustment should be based on a multitude of factors including Producer Price Index (PPI), labor costs, fuel costs, and the cost for purchasing raw metal based materials. Since OPEX is the original equipment manufacturer and the service provider for the Model 72 extractor product, we examine these aforementioned factors on an annual basis in determining a reasonable price adjustment to the applicable prices.

I. Warranty (page 69 of the RFP)

Per the requirements of this RFP, OPEX is offering a one (1) year warranty with the Model 72 commencing from the date of Acceptance in accordance to our comments under Sub-Section 16 and Sub-Section 18 of Section 6 titled "NASPO ValuePoint Master Agreement Terms and conditions" located on pages 8 through 10 of this document..

K. Compensation (page 70 of the RFP)

OPEX respectfully requests that the State provides OPEX a cure period of ten (10) business days following OPEX's receipt of the written default notice from the State in order to give OPEX the opportunity to cure a material defect in the product. We request that the written default notice includes a detailed description of the default.

M. 1.1 Indemnification and Insurance (page 71 – 72 of the RFP)

OPEX requests to add the following provision to the end of this Section 7.1(M)1.1:

"In no event shall Contractor be liable to the Indemnitee, whether in an action in negligence, contract or tort or based on a warranty or otherwise, for loss of profits, revenue, or loss or inaccuracy of data, or any indirect, incidental, punitive, special or consequential damages incurred by the other party or any third party, even if the party has been advised of the possibility of such damages.

Further, except to the extent that liability arises from: (i) a breach by Contractor's breach of its confidentiality obligations in this Contract; (ii) instances of Contractor's gross negligence or willful misconduct; or (iii) as a result of the patent, copyright and trademark indemnification obligations contained in Sub-Section 6.3 of Section 7.2 below; or (iv) instances of personal injury to or the death of persons or damage to tangible property resulting from, or connected with, the performance of the Contract and to the extent caused by the negligence, and/or willful misconduct or failure to comply with terms or conditions of this Contract by Contractor and its employees (and in which event Contractor shall be responsible for such Claims under this Sub-Section M1.1(iv) in an amount not to exceed one million and 00/100 US Dollars (\$1,000,000.00)), Contractor's liability for damages under this Contract, whether in an action in negligence, contract or tort or based on a warranty, shall not exceed the purchase price set forth of the product. Additionally, State of Arizona and Contractor agree that Contractor's indemnity obligation hereunder will be reduced to the extent by which any Claim, liability, loss, damage, or expense results from the negligence or

misconduct of any employee, servant, officials, client and/or agent of the Indemnitee, or the employees, servants, officials agents or subcontractors of another party, client and/or contractor or non-parties to this Contract.

M. 1.3 Minimum Scope and Limits of Insurance (page 72-76 of the RFP)

- **1.3.4 Technology Errors & Omission Insurance and includes Sub-Sections 1.3.4 (f), 1.3.4 (g) and 1.3.4 (h) (page 74 of the RFP)**

OPEX respectfully requests the removal of the technology errors and omissions insurance coverages as described in Sub-Section M1.3.4 including Sub-Sections 1.3.4(f), (g), and (h).

The main reason is because OPEX is offering a hardware based extractor that is a commercial off-the-shelf ("COTS") product as well as offering on-call maintenance services that can be purchased by any commercial and/or government based entity. As such, OPEX is not offering a customized product, consultative services and/or professional services under this RFP. Therefore, we reasonably believe Sub-Section M1.3.4 including Sub-Sections 1.3.4(f), (g), and (h) are not applicable to OPEX, its product and/or services.

- **1.3.5 Media Liability Coverage and includes Sub-Sections 1.3.5 (i), and 1.3.5 (j) (page 74 – 75 of the RFP)**

OPEX respectfully requests the removal of the media liability insurance coverage as described in Sub-Section M1.3.5 including Sub-Sections 1.3.5(i), and (j).

The main reason is because OPEX is offering a hardware based extractor that is a commercial off-the-shelf ("COTS") product as well as offering on-call maintenance services that can be purchased by any entity, commercial and/or government based entity. As such, OPEX is not offering the production of content under this Contract. Therefore, we reasonably believe Sub-Section M1.3.5 including Sub-Sections 1.3.5(i), and (j) are not applicable to OPEX, its extractor product and/or services.

P. Data Privacy/Security Incident Management (page 76-77 of the RFP)

OPEX reasonably believes this Section 7.1 P is not applicable to OPEX and its extractor hardware based product and on-call maintenance services.

The OPEX Model 72 extractor product will be owned by the customer, installed directly at the customer's site(s) and used and/or operated exclusively by the customer. As such, the process of operating the OPEX product installed at the customer's site(s) is determined, controlled and/or managed exclusively by the customer. Furthermore, the process of how the information is transferred once the customer opens and extracts the contents from the envelope using the OPEX Model 72 product is exclusively determined, controlled and/or managed by the customer. Based on the above, since the Model 72 product will be operated by an employee of the customer and, as such, no sensitive and/or confidential customer information will need to be disclosed to OPEX.

Furthermore, OPEX **does not** require access to or use of sensitive and/or confidential customer information in order to perform the equipment maintenance services for a customer.

To protect a customer's sensitive and/or confidential customer information that may be incidentally disclosed to OPEX's service technicians while they perform the maintenance services at a customer site, we will directly engage with the customer to execute a mutual non-disclosure agreement that is acceptable

to both parties. Additionally, we will also comply with the customer's site security policies that are reasonably applicable to the Model 72 extractor product and related on-call maintenance services.

In sum, based on the above information, we respectfully requests the removal of Section 7.1 P from the Contract.

Q. Access Constraints and Requirements (page 77 of the RFP)

As a form of clarification, OPEX will comply with the customer's site security policies that are reasonably applicable to the Model 72 extractor product and related on-call maintenance services.

The OPEX Model 72 extractor product will be owned by the customer, installed directly at the customer's site(s) and used and/or operated exclusively by the customer. As such, the process of operating the OPEX product installed at the customer's site(s) is determined, controlled and/or managed exclusively by the customer. Furthermore, the process of how the information is transferred once the customer opens and extracts the contents from the envelope using the OPEX Model 72 product is exclusively determined, controlled and/or managed by the customer. As such, based on the above, since the Model 72 product will be operated by an employee of the customer and, accordingly, no sensitive and/or confidential customer information will need to be disclosed to OPEX.

Furthermore, OPEX **does not** require access to or use of sensitive and/or confidential customer information in order to perform the equipment maintenance services for a customer.

To protect a customer's sensitive and/or confidential customer information that may be incidentally disclosed to OPEX's service technicians while they perform the maintenance services at a customer site, we will directly engage with the customer to execute a mutual non-disclosure agreement that is acceptable to both parties.

R Compliance Requirements (page 77 of the RFP)

OPEX became an active participant in the E-Verify Program as of January 1, 2011 and has utilized the E-Verify Program for all newly hired employees beginning on January 1, 2011 and thereafter. OPEX used the paper form I-9 to verify employees' employment eligibility for new hires hired prior to January 1, 2011.

7.2 State of Arizona Uniform Terms and Conditions (page 78 -90 of the RFP)

2.3 Contract Order of Precedence (page 79 of the RFP)

It is OPEX's understanding that this Sub-Section 2.3 pertains specifically to Section 7 titled "Lead State (State of Arizona) Terms and Conditions", and not to Section 6 titled "NASPO ValuePoint Master Agreement Terms and Conditions" of the RFP.

3.4 Facilities Inspection and Materials Testing (page 80 of the RFP)

This is a clarifying comment and is not considered an exception. OPEX does not utilize subcontractors in the manufacturing and/or assembling of the OPEX Model 72.

The Model 72 is manufactured and/or assembled at OPEX's World Headquarters located in Moorestown, NJ. The State has the ability to tour OPEX's facilities in Moorestown, NJ upon providing at least thirty (30) calendar days' advance written notice to OPEX. Since the Model 72 would be installed at the customer's equipment site, all on-call maintenance services will be conducted directly at the customer's equipment site.

3.7 Property of the State (page 81 of the RFP)

OPEX is not providing any customized computer programs to the State. Also, the Model 72 product does include proprietary information and Intellectual Property (as defined in Sub-Section 3.8 below) owned exclusively by OPEX. As such, no right, title, or interest to Intellectual Property as defined in this Sub-Section 3.7, in whole or in part, would transfer to a State and such right, title, or interest to Intellectual Property in the OPEX Model 72 product will be owned exclusively and solely by OPEX.

Based on the above information, OPEX reasonably believes this Sub-Section 3.7 of Section 7.2 is not applicable to OPEX and its extractor hardware based product and on-call maintenance services. Therefore, we respectfully request the removal of Sub-Section 3.7 of Section 7.2 from the Contract.

3.8 Ownership of Intellectual Property (page 81 of the RFP)

The OPEX Model 72 offered here by OPEX is a commercial off-the-shelf ("COTS") item that is sold to both private and public entities throughout the U.S. and internationally; they require no customization for use by the State. Additionally, the Model 72 product does include proprietary information and Intellectual Property owned exclusively by OPEX. As such, no right, title, or interest to Intellectual Property as defined in this Section 3.8 would transfer to a State.

As such, the Intellectual Property in the OPEX Model 72 will not be considered a work made for hire and the State will not be considered the creator of such Intellectual Property.

Based on the above information, OPEX reasonably believes this Sub-Section 3.8 of Section 7.2 is not applicable to OPEX and its extractor hardware based product and on-call maintenance services. Therefore, we respectfully request the removal of Sub-Section 3.8 of Section 7.2 from the Contract.

3.10 E-Verify Requirements (page 82 of the RFP)

This is a clarifying comment and is not considered an exception. OPEX became an active participant in the E-Verify Program as of January 1, 2011 and has utilized the E-Verify Program for all newly hired employees beginning on January 1, 2011 and thereafter. OPEX used the paper form I-9 to verify employees' employment eligibility for new hires hired prior to January 1, 2011.

5.1 Amendments (page 83 of the RFP)

OPEX respectfully requests that both the procurement officer and an OPEX authorized representative must sign a Contract Amendment in order for such document to become effective.

6. Risk and Liability

6.2 Indemnification (page 84 of the RFP)

OPEX respectfully requests to add the following provision as a new Sub-Section titled "6.2.3" to the end of this Sub-Section 6.2:

"6.2.3. In no event shall Contractor be liable to the State of Arizona, its departments, agencies, boards and commissions, whether in an action in negligence, contract or tort or based on a warranty or otherwise, for loss of profits, revenue, or loss or inaccuracy of data, or any indirect, incidental, punitive, special or consequential damages incurred by the other party or any third party, even if the party has been advised of the possibility of such damages.

Further, except to the extent that liability arises from: (i) a breach by Contractor's breach of its confidentiality obligations in this Contract; (ii) instances of Contractor's gross negligence or willful misconduct; or (iii) as a result of the patent, copyright and trademark indemnification obligations contained in Sub-Section 6.3 of Section 7.2 below; or (iv) instances of personal injury to or the death of persons or damage to tangible property resulting from, or connected with, the performance of the Contract and to the extent caused by the negligence, and/or willful misconduct or failure to comply with terms or conditions of this Contract by Contractor and its employees (and in which event Contractor shall be responsible for such claims under this Sub-Section 6.2.3 (iv) of Section 7.2 in an amount not to exceed one million and 00/100 US Dollars (\$1,000,000.00)), Contractor's liability for damages under this Contract, whether in an action in negligence, contract or tort or based on a warranty, shall not exceed the purchase price set forth of the product. Additionally, State of Arizona and Contractor agree that Contractor's indemnity obligation hereunder will be reduced to the extent by which any claim, liability, loss, damage, or expense results from the negligence or misconduct of any employee, servant, officials, client and/or agent of the Indemnatee, or the employees, servants, officials agents or subcontractors of another party, client and/or contractor or non-parties to this Contract."

6.3 Indemnification – Patent and Copyright (page 84 of the RFP)

OPEX respectfully requests that OPEX's proposed changes (including proposed additional verbiage) be incorporated into Sub-Section 6.3 as shown in **bold blue font**.

"The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses for infringement of any **United States, European Union and/or Canadian** patent, trademark or copyright arising out of Contract performance or use by the State materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the Contract is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

In the defense or settlement of a claim pursuant to the claim as set forth in this Sub-Section 6.3, Contractor will obtain for the State of Arizona the right to continue using the OPEX Model 72 product(s), replace or modify the product(s) so that they become non-infringing or, if such remedies are not reasonably available, grant the State of Arizona a depreciated refund pro-rata based upon a sixty (60) month life, measured from the original installation of the product. Contractor shall not have any liability if the alleged infringement is based upon the use or sale of the OPEX Model 72 product in combination with other products or devices not furnished or approved by Contractor. CONTRACTOR DISCLAIMS ALL OTHER LIABILITY FOR PATENT, COPYRIGHT OR TRADEMARK INFRINGEMENT, INCLUDING ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, AND THE RIGHTS STATED HEREIN ARE THE STATE OF ARIZONA'S SOLE AND EXCLUSIVE REMEDY."

7 Warranties (page 86 of the RFP)

- With respect to Sub-Section 7.2.2, OPEX respectfully requests the deletion of "Fit for the intended purposes for which the materials are used;" replaced with, "Shall perform in accordance with and subject to Contractor's published performance specifications;"
- With respect to Sub-Section 7.3, OPEX respectfully requests that OPEX's proposed changes be incorporated into Sub-Section 7.3 as shown in **bold blue font**.

"The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit **to**

be used by State in accordance with and subject to Contractor's published technical specifications as set forth in this Contract ~~for all purposes and uses required by the Contract.~~"

- OPEX requests to add the following provision as a new Sub-Section 7.7 to the end of this Section 7 titled "Warranties":

"7.7. THE FOREGOING EXPRESS WARRANTIES ARE EXCLUSIVE AND MADE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THOSE OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS SET FORTH IN THIS WARRANTY, CONTRACTOR SHALL NOT BE LIABLE FOR ANY DAMAGES ARISING OUT OF OR IN CONNECTION WITH ITS PERFORMANCE PURSUANT TO THIS CONTRACT, THE PRODUCTS OR SERVICES SOLD HEREUNDER, OR THEIR USE BY THE STATE ARISING OUT OF OR IN CONNECTION WITH THIS CONTRACT, THE MODEL 72 PRODUCT AND SERVICES SOLD HEREUNDER, OR THE OPERATION OF THE PRODUCTS, REGARDLESS OF WHETHER OR NOT CONTRACTOR HAS ACTUAL KNOWLEDGE OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE."

9 Contract Termination (page 88 – 89 of the RFP)

- 9.5 Termination for Default: OPEX respectfully requests that the State provide at least ten (10) business days' advance written notice prior to terminating the Contract in whole or in part for default following OPEX's receipt of the written default notice from the State in order to give OPEX the opportunity to cure a material defect in the product. We request that the written default notice includes a detailed description of the default.
- 9.6 Continuation of Performance Through Termination: OPEX respectfully requests that it will receive payment for the services it performs up to the date of termination, in accordance with the terms and conditions of the Contract.

Attachment A – OPEX Sample Certificate of Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
9/28/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER The Graham Company The Graham Building 1 Penn Square West Philadelphia PA 19102-	CONTACT NAME: James H. Bonner PHONE (A/C, No, Ext): 215-567-6300 FAX (A/C, No): 215-525-0234 E-MAIL ADDRESS: BONNER_UNIT@grahamco.com														
INSURED OPEX Corporation 305 Commerce Drive Moorestown NJ 08057	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> <tr> <td>INSURER A : Liberty Insurance Corporation</td> <td>42404</td> </tr> <tr> <td>INSURER B :</td> <td></td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Liberty Insurance Corporation	42404	INSURER B :		INSURER C :		INSURER D :		INSURER E :		INSURER F :	
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INSURER B :															
INSURER C :															
INSURER D :															
INSURER E :															
INSURER F :															

COVERAGES CERTIFICATE NUMBER: 78290048 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			TB7-Z51-290099-076	10/1/2016	10/1/2017	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$700,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMPIOP AGG \$2,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> Phys Dmg			AS7-Z51-290099-036	10/1/2016	10/1/2017	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ PD Deductible \$1,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			TH7-Z51-290099-086	10/1/2016	10/1/2017	EACH OCCURRENCE \$20,000,000 AGGREGATE \$40,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC7-Z51-290099-016	10/1/2016	10/1/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Branch Banking and Trust Company, its affiliates and any and all of their respective affiliates, subsidiaries, directors, officers, employees, agents, representatives, successors and assigns are Additional Insureds on the above General Liability Policy if required by written contract. Prior to loss, if required by written contract a Waiver of Subrogation is provided in favor of the Additional Insured on the above policies if permissible by state law.

CERTIFICATE HOLDER	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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