



November 15, 2016

Christopher Lacey, Senior Procurement Specialist  
State of Arizona, State Procurement Office  
100 N. 15th Avenue  
Phoenix, Arizona 85007

Re: Solicitation No. ADSP016-00006328  
Mailroom Equipment, Supplies, and Maintenance

Attachments: Completed Request for Proposal Documentation and Attachments as referenced herein and therein

Pitney Bowes Terms and Conditions (listed below herein)  
Pitney Bowes Licenses and Agreements  
Pitney Bowes Customer Satisfaction Guarantees  
PBI exceptions to NASPO ValuePoint Solicitation as of 11.8.13 v3

Dear Mr. Lacey:

Pitney Bowes Inc. ("PBI") is pleased to submit the enclosed offer in response to the above referenced Solicitation for Mailroom Equipment, Supplies and Maintenance. For more than 96 years, PBI has been helping customers meet their varied mailing needs at highly competitive prices. As the original equipment and software manufacturer and service provider for the products offered, we are committed to providing superior customer service, product, quality, value based solutions and technology, innovative cost solutions and outstanding service. Please note this offer is contingent on the terms of this offer letter as well as the exceptions (*PBI exceptions to NASPO ValuePoint Solicitation as of 11.8.13 v3.docx*) included as part of our submittal on *ProcureAZ*. Any subsequent contract or purchase order will be governed by the terms of your solicitation document as well as any terms contained in our proposal. Pitney Bowes is willing to negotiate in good faith upon award. If the terms and conditions are not acceptable as offered, the price proposal as submitted is not valid and subject to change and new negotiation.

The proposal responds to your RFP questions and outlines our offer. PBI bids in accordance with the Solicitation and the attached PBI Agreements. The Agreements are industry standard and are specific to the type of products and software being offered.

Pitney Bowes understands that as part of the Participating Addendum process each Participating State and Offeror will negotiate additional terms and conditions presented by the Participating State (including, those provided for informational purposes within this solicitation). In as much, our response to this solicitation is being submitted without taking any exceptions to the Participating State Specific Terms and Conditions provided within this solicitation and we reserve the right to negotiate all provisions of Participating Addenda, including, those that were provided for informational purposes in this solicitation.

Pitney Bowes respectfully has exceptions to some of the sections in the Solicitation and has included them as PBI exceptions in the *NASPO ValuePoint Solicitation as of 11.8.13 v3.docx* attached in *ProcureAz*.

Below is a list of Pitney Bowes Terms and Conditions, Product Licenses, etc. which will be attached as separate attachments:

**SMB Terms**

Customer Satisfaction Guarantee March 2015  
Business Manager Software License Agreement OCT 2016  
Distribution Solutions SLMA Nov 2015-Pathfinder-v092215  
EULA ConnectRight Mailer  
Ink Jet Toner Warranty  
PlanetPress- End User License Agreement-click wrap

Planet Press Service Link  
 SendPro U.S. Terms of Use Subscription MAY 2016  
 SendPro U.S. Terms of Use with Equipment Lease MAY 2016  
 Pitney Bowes Supplies Return Policy  
 Postage Meter Rental Terms  
 pbSmartPostage-terms  
 Clean version NASPO Option A Term Rental Installment Purchase Lease 11-14-16 finalv2  
 Clean Version NASPO OPT B FMV Rental ADSP011 11-14-16 finalv2  
 Clean version NASPO Opt C State and Local FMV Lease 11-14 finalv2  
 Summary Leasing-Rental Programs Naspo Valuepoint 11 14 16

**PB Software Inc. Terms**

Master License Agreement 02-2015 NASPO

**PB DMT Terms**

DMT Customer Satisfaction Guarantee\_Jason Dies November 2016  
 IBM Lease-Purchase Master Agreement Z1265741-US-06 LPMA 11-2013 (1)  
 MAM SAMPLE Rental Agreement 111116 FINAL  
 MAM SAMPLE Tax Exempt Lease Purchase Agreement 111116 FINAL  
 PNC Muni Short Form Lease Pkg \$1 Out FINAL  
 PNC Muni Short Form Lease Pkg FMV FINAL  
 Direct Connect Software License EXHIBIT NASPO 2016  
 Sorter (Imbedded) Software License Maintenance Agrmnt and DPV-LACS - NASPO 2016  
 DMT DirectView License Agreement July 2016 NASPO

Pitney Bowes is offering the following leasing options, designated by product line, in compliance with Section 3.15, Equipment Leasing in the RFP (Arizona Solicitation Number ADSP016-00006328). Related lease terms and conditions are labeled and are included under the attachments on ProcureAZ.

1. Pitney Bowes Global Financial Services LLC "GFS" Term Rental (Installment Purchase) – Option A, Fair Market Value Rental – Option B, and Fair Market Value Lease – Option C pursuant to Sections 3.15 and 3.16, respectively and its terms and conditions are offered for lease transaction for the SMB Product line specifically listed above.
2. For the Pitney Bowes DMT product line and related services (as described in tabs on the Price Attachments C and C-1 ("Folders-Inserters Production, Inserters-Production, Pre-sorting Equipment Production and Software License and Subscriptions applicable to DMT Production Mail Equipment")) (the "DMT Product Line") leases may be available in an applicable State through a third party lending companies, including, PNC Equipment Finance, IBM Credit LLC and Municipal Asset Management, Inc. For informational purposes, the terms and conditions of the (i) Municipal Master Lease Purchase Agreement or the Muni Short Form FMV lease [PNC], (ii) a Lease/Purchase Master Agreement for State and Local Government, [IBM] and (iii) a Tax Exempt Lease/Purchase Agreement and a Rental Agreement [MAM] lease (together the "DMT Leases"), as such may be available in a particular State, have been included with this RFP response. Pricing by third party leasing companies for DMT Leases to be provided.

In applicable States, the DMT Leases may be offered under this Arizona Solicitation Number ADSP016-00006328 and the State Participating Addenda and, in such cases, if there is a conflict between a DMT Lease, and the related State Participating Addenda, the DMT Leases shall govern. Alternatively, in applicable States, the DMT Leases may be offered as a separate contract outside the Participating Addenda and this Agreement. Further, in the event a State wishes to use its own lender, it will be considered a separate contract outside the Participating Addenda and this Agreement. Note that the DMT Product Line is not offered under the GFS lease program described above in Item 1. Further, the DMT Product Line is not available for an Equipment Rental program, as described in Section 3.16 of the RFP.

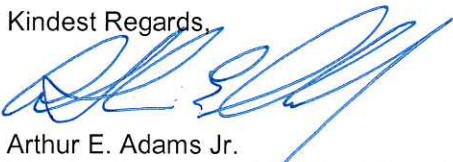
Optional Purchase Power program:

The Purchasing Entity's actual purchase of postage is not incorporated within the Master Agreement. Pitney Bowes does offer an optional program to assist a Purchasing Entity's funding of its actual postage purchased, where their procurement authority allows. The Pitney Bowes Purchase Power program is offered as a convenience and is strictly an optional program with separate terms, conditions, financing rates and fees. In essence, the Purchasing Entity utilizes our bank credit line to fund their purchase of postage. There may be an overage fee charged to the Purchasing Entity associated with this program when Pitney Bowes funds excess postage downloaded to the Purchasing Entity's meter. Pitney Bowes does offer other funding methods all of which are identified within the attached Postage Meter Terms and Conditions.

In accordance with the NASPO ValuePoint Master Agreement, Pitney Bowes waives the transaction fee related to the process of resetting a Meter.

We sincerely thank you for the opportunity of providing you with solutions that meet your goals. Pitney Bowes looks forward to the opportunity to become one of your most valuable vendors in support of your member organizations. If you should have any questions, please feel free to contact Bill Walter at (480)-206-2984.

Kindest Regards,



Arthur E. Adams Jr.  
Director, Government Contract Compliance  
Pitney Bowes Inc.