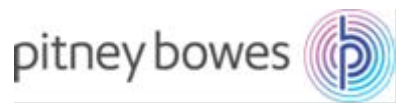


RFP Response for:

# State of Mississippi

April 10, 2018

Submitted by:  
David Gobbel  
Government Account Manager  
Pitney Bowes Inc. SMB  
Federal Tax ID: 06-0495050



3001 Summer Street  
Stamford, CT 06926  
[www.pb.com](http://www.pb.com)  
Fed Tax ID: 06-0495050

April 1, 2018

**State of Mississippi**

Department of Finance and Administration  
701 Woolfolk Building, Suite A  
501 North West Street  
Jackson, MS 39201  
Attn: Regina Irvin, Buyer

**Subject:** State of Mississippi, Mailing Equipment, RFX: 3130000740 ("RFP")  
Due date: April 15, 2018

**Attachments:**

Proposed Price List and Product Information  
Pitney Bowes Customer Service Guarantee  
Purchase Summary  
GSA Price List  
Dealer List  
Software License and Maintenance Agreements: (See Zip file)

Dear Ms. Irvin:

Pitney Bowes Inc., US Mailing Division, located at 3001 Summer Street, Stamford, CT 06926, is pleased to submit the enclosed offer in response to the referenced State of Mississippi Proposal Format and Guidelines, Mailing Equipment RFX #3130000740. ***Please note, this offer is contingent on the terms of this letter. 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. If the terms and conditions are not acceptable as offered, the price proposal as provided is not valid and subject to change and new negotiation.***

**The following proposal outlines our offer;**

**Pricing:**

Equipment prices for the period covered under **RFX 3130000740**, are set forth in the attached price list as they vary by product line. The quoted pricing is a minimum of 12% off Pitney Bowes' equipment/hardware standard commercial price for US Mailing Products.(Confirming with Gina-thinks will be less)

**Service Level Agreement (SLA):**

Service prices for the time period covered under the **RFX 3130000740**, reflect a 20% discount off current list price. Pitney Bowes Service ensures optimum productivity, keeps your equipment running longer, and helps avoid unplanned maintenance expenses for covered events. See Exhibit A attached hereto for service details.

**Guarantee:**

We guarantee that all new Mailing System products purchased or rented from Pitney Bowes will perform to our specifications for initial term of the lease or three years if purchased. If during that period, the product does not perform to our specifications, and we cannot repair it, we will replace it with a comparable product. If during the 90 days after installation, a replacement product does not perform as specified, you will be entitled to an equipment refund. This guarantee applies only when you continually maintain coverage with a Pitney Bowes equipment maintenance agreement and software maintenance agreement after the 90-day warranty period. Should a malfunction occur due to the use of a non-Pitney Bowes consumable supply or unapproved software/hardware modification, this guarantee will not apply. This guarantee is in addition to the warranty provisions in the terms and condition of this solicitation. Please see attached hereto the Pitney Bowes Customer Satisfaction Guarantee.

In the event PBI is awarded a contract under this RFX, all Authorized Users renting a PBI postage meter resulting from the contract will be required to comply with all applicable United States Postal Service ("USPS") regulations governing the use of a postage meter, including but not limited to the USPS Acknowledgement of Deposit

**Software:**

PBI has included the previously negotiated software license and maintenance agreements that may be required for some items in our product offering. These licenses were negotiated during the last years' RFP process and will apply to our current offering. See attached zip file.

**Pitney Bowes respectfully clarifies the following for this contract:**

**MS Rental Agreement, Hard Drive Security:** Pitney Bowes does the following as it relates to hard drive security. **HARD DRIVE SECURITY:** Vendor will either properly format the hard drive,

deleting all information, or replace the hard drive with a new hard drive prior to storing or re-selling the equipment.

**Miscellaneous:**

The use of Amazon Web Services ("AWS") for any hosted or on-demand services provided to the State, and any flow down provisions imposed on subcontractors in this contract will not apply to AWS (and its successors). This shall apply to only specific products provided to the State in a hosted or cloud based service, where Pitney Bowes uses AWS or a successor provider to provide such hosted or cloud-based services.

We sincerely thank you for the opportunity to continue providing you with solutions that meet your goals. Pitney Bowes values the long-term relationship that we have had with the State of Mississippi and we hope to continue to be one of your most valuable vendors. Should you have any questions, please contact me at 601-454-9927.

Sincerely,

David Gobbel  
Government Account Manager  
Pitney Bowes Inc.  
Email: [david.gobbel@pb.com](mailto:david.gobbel@pb.com)  
Phone No: 601-454-9927  
PO Box 12262  
Jackson, MS 39236

**Notice of Confidentiality**

© 2015-2017, Pitney Bowes Inc. All rights reserved.

THE INFORMATION CONTAINED IN THIS DOCUMENT AND THE SOLUTION PROPOSED BY PITNEY BOWES INC. ("PBI") ARE PROPRIETARY AND CONFIDENTIAL TO PBI. THESE MATERIALS CAN BE USED SOLELY FOR THE PURPOSE OF EVALUATING A POSSIBLE TRANSACTION BETWEEN PBI AND ITS PROSPECTIVE CUSTOMER. NO RECIPIENT OF THESE MATERIALS MAY USE THEM FOR ITS OWN COMMERCIAL ADVANTAGE. THE RECIPIENT OF THESE MATERIALS MUST HOLD THEM IN CONFIDENCE AND SHALL NOT DISTRIBUTE THEM, IN WHOLE OR IN PART, TO ANY OTHER INDIVIDUAL OR ENTITY IN ANY FORM WITHOUT THE PRIOR WRITTEN CONSENT OF PBI MANAGEMENT.

## Pitney Bowes Service

Pitney Bowes offers a Standard Equipment Maintenance Service Level Agreement (SLA) that ensures optimum productivity, keeps your equipment running longer, and helps avoid unplanned maintenance expenses for covered events. Our comprehensive service plan provides phone, remote, and if determined necessary by us on-site labor for all equipment repairs and preventative maintenance upon request during standard business hours. Coverage includes parts from the smallest to major electronic components, except for consumable parts or supplies such as paper, ink, tape and certain printheads. Additional coverage maybe purchased under our Performance SLA that provides priority scheduling of on-site emergency repair services not able to be resolved remotely.

Pitney Bowes' warranty offering is as follows, "Pitney Bowes Equipment (hereinafter "Equipment"), Rate Software and PROM's are warranted by Pitney Bowes to be free from defects in material and workmanship and to perform according to their specifications for one year from the date of installation. If a defect in material or workmanship or a failure to perform within specifications occurs within the first ninety days after installation, Pitney Bowes will repair it or, at its option, replace it at no charge. A "defect" does not include the failure of rates embodied in a rate update to conform to published rates. The performance of services by Pitney Bowes shall be done in a professional and workmanlike manner. There is no warranty for services and repairs that are made necessary due to negligence or accident, misuse, usage which exceeds manufacturer's recommended usage, use in an environment with unsuitable humidity and/or line voltage, damage in transit, virus contamination or loss of data, misuse or abuse, external forces, loss of power, power fluctuation, operator error, casualty (such as fire, flood, or other natural causes), sabotage, service by anyone other than Pitney Bowes, failure to use applicable software updates, use of the equipment with any system for which we have advised you is no longer compatible, or the use of supplies (such as ink), hardware, or software not meeting Pitney Bowes specifications. The warranty does not cover consumable parts or supplies such as belts, ink, ink rollers, sealer and moistener brushes, bulbs, felts and sponges or for parts worn out due to extraordinary use of the Equipment.

We guarantee that all new Mailing System products purchased or leased from Pitney Bowes will perform to our specifications for the initial term of the lease or three years if purchased. If, during that period, the product does not perform to our specifications, and we cannot repair it, we will replace it with a comparable product. If during the first ninety days after installation, a replacement product does not perform as specified, you will be entitled to an equipment refund of payments made to us for the replacement product. This guarantee applies only when you continually maintain coverage with a Pitney Bowes equipment maintenance agreement for Equipment and software maintenance agreement for software solutions after the warranty period. Should a malfunction occur due to the use of a non-Pitney Bowes consumable supply or unapproved software/hardware modification, this guarantee will not apply. This guarantee is in addition to the warranty provisions in the terms and condition of this solicitation.

# Corporate Overview

Pitney Bowes Inc. (we, us, our, or the company), was incorporated in the state of Delaware in 1920. We are a global technology company offering innovative products and solutions that enable commerce in the areas of customer information management, location intelligence, customer engagement, shipping and mailing, and global ecommerce. More than 1.5 million clients in approximately 100 countries around the world rely on our products, solutions and services.

## **Our Strategy and Business Segments**

Our business is organized around three distinct sets of solutions -- Small and Medium Business (SMB) Solutions, Enterprise Business Solutions and Digital Commerce Solutions (DCS).

### **Small and Medium Business Solutions**

We are a global leader in providing a full range of mailing equipment, software, supplies and support services that enable our clients to efficiently create mail and evidence postage. We segment the SMB Solutions group between our North America operations, comprising the U.S. and Canadian businesses, and our International operations, comprising all other SMB businesses globally. We are a leading provider of postage meters and have over 900,000 meters installed in North America and over 300,000 meters installed elsewhere. This business is characterized by a high level of recurring revenue driven by rental, lease and loan arrangements, and contract support services and supplies sales.

### **Enterprise Business Solutions**

Our Enterprise Business Solutions group includes equipment and services that enable large enterprises to process inbound and outbound mail. We segment the Enterprise Business Solutions group between our Production Mail operations and Presort Services operations.

#### *Production Mail*

Our product and service offerings enable clients to integrate all areas of print and mail into an end-to-end production environment from message creation to dispatch while realizing cost savings on postage. The core products within this segment include high-speed, high-volume inserting equipment, customized sortation products for mail and parcels and high-speed digital color printing systems that create high-value, relevant and timely communications targeted to our clients' customers.

#### *Presort Services*

We are a national outsource provider of mail presort services for first-class, standard-class and flat mail in the U.S. and a workshare partner of the United States Postal Service (USPS). Our Presort Services network provides mailers with end-to-end solutions from pick up at their location to delivery into the postal system. Approximately 90 billion pieces of mail are processed annually by third-parties like us or through in-house operations. Through our network of 32 U.S. locations, and with our fully-customized proprietary technology, we process approximately 15 billion pieces of mail annually and are able to expedite mail delivery and optimize postage savings for our



clients. Our client volumes represent less than 25% of all automated first-class, standard-class and flat mail.

### Digital Commerce Solutions

We provide a broad range of solutions, including customer information management, location intelligence, customer engagement, shipping management and global ecommerce. These solutions are primarily delivered as traditional software licenses, enterprise platforms, software-as-a-service (SaaS) and on-demand applications. The DCS segment is dependent on a relatively small number of clients and business partners for a large portion of its revenue.

Customer information management solutions help businesses harness and deliver a deep and broad understanding of their customers and their context, such as location, relationships, propensity, sentiment and influence. The trusted data and associated insights allow our clients to deliver a personalized customer experience across multiple channels, manage risk and compliance, and improve sales, marketing and service effectiveness. We are one of the market leaders in the data quality segment. Large corporations and government agencies rely on our products in very complex, high-volume, transactional environments to support their business processes.

Location intelligence solutions enable our clients to organize and understand the complex relationships between location, geographic and other forms of data to drive business decisions and customer experiences. Our location intelligence solutions use predictive analytics, location, geographic and socio-demographic characteristics, which enable our clients to harness the power of location to better serve their customers, solve business problems, deliver location-based services and ultimately drive business growth.

Customer engagement solutions provide clients with insight and understanding into customer behavior and interactions across the entire customer lifecycle, enabling them to orchestrate impactful, relevant and timely physical and digital interactions. When coupled with our inserting, sortation and digital print products, we are able to provide clients an all-inclusive solution that enables them to create, print and distribute widespread targeted customer communications. Our customer engagement solutions enable our clients to create connected experiences that positively influence future consumer behavior and generate business growth.

Shipping management solutions enable clients to reduce transportation and logistics costs, select the best carrier based on need and cost, improve delivery times and track packages in real-time. We also offer scalable global logistics management systems that can be integrated into mail centers, as well as desktop and production shipping environments.

Global ecommerce solutions enable full transparency of the fully landed costs by quoting duty, taxes and shipping at checkout, compliance with all import/export complexities, restrictions, regulations and documentation requirements and provide reliable tracking information. Our global ecommerce software platform is currently utilized by over 40 direct merchants and a major online marketplace enabling millions of parcels to be shipped to over 60 countries from the U.S. and more than 15 countries from the U.K.

We also offer targeted direct and digital marketing programs to large advertisers that enable them to connect with movers. Through a contract with the USPS, we produce a "Movers' Guide" in both printed and digital format and a "Welcome Kit" in printed format with targeted advertisers' coupons for movers. We also offer digital advertising programs through MyMove.com, a move related website we own and operate.

### **Client Service**

We have a client care service organization that provides telephone, online and on-site support to diagnose and repair our increasingly complex mailing equipment, production printers and sophisticated software solutions. Most of our support services are provided under annual contracts.

### **Sales and Marketing**

We sell to a variety of business, governmental, institutional and other organizations. We have a broad base of clients and we are not dependent upon any one client or type of client for a significant part of our total revenue.

We market our products and services through a direct and inside sales force, direct mailings, outbound telemarketing, independent dealers and distributors and web channels. We began implementing a phased roll-out of a go-to-market strategy designed to improve the sales process and reduce costs by providing our clients broader access to products and services through expanded inside sales and web channels with less reliance on a direct sales force. We are in the final stages of implementing this go-to-market strategy in our North America businesses and will implement this strategy in our International Mailing and other businesses.

We have made, and are continuing to make, significant investments in the rebranding of the company in order to build market awareness and client demand for our products and services. We are also making investments in marketing in support of the company's brand and business strategy. The brand investments, including a newly launched external website ([www.pb.com](http://www.pb.com)), are designed to enhance our operational and go-to-market changes, including how we sell to and service clients.

### **Investment in Research and Development**

We invest in research and development programs to develop new products and solutions, enhance the effectiveness and functionality of existing products and solutions and deliver high value technology, innovative software and differentiated services in high value segments of the market. As a result of our research and development efforts, we have been awarded a number of patents with respect to several of our existing and planned products. However, our businesses are not materially dependent on any one patent or license or group of related patents or licenses.



# Environmental Responsibility

---

Pitney Bowes has a long tradition of environmental responsibility, and each year we continue to raise the bar on green manufacturing and energy efficiency, to the benefit of our employees, clients and communities. In addition, we recover and recycle materials used in our products through a comprehensive take-back program that has been in effect for more than 50 years. Last year we recycled more than 10 million pounds of materials. We promote environmentally responsible practices in paper procurement and print production.

## Energy Conservation

We work continuously to improve energy efficiency in our facilities and operations. We measure our carbon footprint and seek ways to reduce it. We use every means available to help reduce our carbon footprint, from employee awareness to process innovations and site consolidation, and we continue to place among the top 20 in our industry in the EPA's Green Power Partner ratings.

## Environmental Product Compliance

We hold our products to strict environmental standards, and have rigorous processes to ensure compliance at every stage of manufacturing and distribution. We also incorporate environmental compliance into the design and manufacture of our products.

## Environment Performance

We report our carbon emissions, product stewardship and recycling tonnage.

For additional information on our environmental responsibility, please visit <http://www.pitneybowes.com/us/our-company/corporate-responsibility/environment.html>

# The Pitney Bowes Guarantee

---

Pitney Bowes Mailing, North America is committed to providing our customers with the finest products backed by the highest quality care and service. As long as you continually maintain coverage with a Pitney Bowes maintenance agreement for hardware and a software maintenance agreement for software after warranty, Pitney Bowes promises to provide you the following:

## **Guaranteed product performance**

For all new and remanufactured Pitney Bowes branded products provided by Pitney Bowes in the U.S., we guarantee performance to our specifications for the initial term of the lease or three years if purchased. If, during that period, the product does not perform to our specifications, and we cannot repair it, we will replace it with a comparable product. If during the first ninety days after installation the replacement product does not perform as specified, you will be entitled to a refund of payments made to us for the replacement product. If the original or replacement product fails to perform due to the use of a non-Pitney Bowes consumable supply or unapproved software/hardware modification, this guarantee will not apply.

## **Guaranteed nationwide service**

Our nationwide service force will respond to service and preventative maintenance requests as part of your maintenance agreement for hardware. If we find that we cannot return your Pitney Bowes branded equipment to a satisfactory operating condition within a reasonable time, where appropriate, we will provide you with a loaner at no additional cost.

## **Help line support**

For customers with products that are supported through our Diagnostics Center, toll-free telephone technical assistance is available Monday through Friday, 8:00 A.M. until 8:00 P.M. EST exclusive of holidays.

## **Rate change protection**

With our ability to accommodate a wide range of carriers, we are your rate data source. Also, should you select any of our plans that include software rate protection, we guarantee that you will not be charged for unexpected rate changes within the scope of your plan.

### **Operator productivity and training excellence**

For all products that we install, our skilled professionals will effectively deliver the agreed upon installation and training services. Furthermore, if you attend our acclaimed

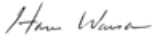
Mail Management Seminar, we will train your employee(s) on the latest and most efficient use of postal services.

### **Purchase Power® service**

The Pitney Bowes Bank, Inc. provides postage advances to all qualified customers in good standing. You will not have to pay for postage in advance. You can mail now and pay later when you get your bill.

At Pitney Bowes, we are committed to maintaining long-term partnerships with our customers. If our sales and service support team has been unable to satisfy you, I would like to hear from you. Please call my office at 800 622 2296.

**We won't be satisfied until you are satisfied.**



Harris Warsaw

Senior Vice President of Global Sales, Global SMB Solutions

# Global Client Care

---

Keeping your technology running smoothly is vital to your business. Any interruption can cost you valuable opportunities and lost productivity. To help ensure your business keeps operating at peak efficiency, count on Pitney Bowes.

## National expertise in your neighborhood

For over 90 years, Pitney Bowes has delivered industry-leading service and support to millions of customers, from small and medium sized enterprises to Fortune 500 companies, across the U.S. We offer:

- A national network of 1,200 A+ certified representatives – the industry standard for computer support personnel
- Support for our customers in every zip code across the U.S., Alaska and Hawaii
- Our expertise at your fingertips, while providing the quick response and personalized service you expect
- Support online, on the phone or in person

We are featured on TSIA's Service 50 Index as one of 50 of the largest global providers of technology services. Put your business in our capable hands. With an average 97% customer satisfaction rating, our customers trust us with their business.

## Industry-leading service

Our Standard and Performance service level agreement options for equipment provide protection from unexpected interruptions and minimize downtime. With uninterrupted equipment solutions from Pitney Bowes, your business can benefit from improved customer communications management.

Turn to Pitney Bowes to:

- Grow your business
- Improve productivity
- Increase customer response rates

**First-class™ service, satisfaction guaranteed.** At Pitney Bowes, we are committed to providing our customers with the finest products backed by the highest quality service. We won't be satisfied until you are. Ask your Pitney Bowes sales representative for more information about our **Customer Satisfaction Guarantee.**

Our team has demonstrable mastery in diagnosis, prevention and ongoing maintenance of your equipment. They quickly respond to, and resolve your issues. Simply by picking up the phone, or accessing your equipment online, our advanced diagnostics can identify and resolve your service issues; implementing remedies to improve performance in minutes. Alternatively, we will dispatch our neighborhood service representatives for a personal touch.

### **Standard Service Level Agreement**

Safeguard your business from interruption and guarantee maximum performance with our standard service. With remote, online, or on the phone product support, you can have confidence that your business is protected.

### **Performance Service Level Agreement**

With all the benefits of our standard service, our performance plan offers additional peace of mind with guaranteed response times for on-site service support in addition to our performance package which includes:

- Performance Reports
- Training/Professional services
- Application Support
- Mail management seminars

Our representatives go the extra mile delivering value-added professional services in support of your business.

These include:

- Product installation and support • Database maintenance
- Employee training • On-site assistance during periods of high-production
- Consulting
- Database maintenance
- On-site assistance during periods of high-production

Our services are backed by the full resources of Pitney Bowes, including our continuous investment in leading-edge technology.

# Risk and Business Continuity

---

## Risk

Pitney Bowes Inc. has a structured consistent and continuous risk management process in place across the organization. This Enterprise Risk Management system identifies and prioritizes potential risks to the business including financial environmental and societal risks. These risks are then assessed in terms of probability severity and status of mitigation plans. The risks identified are reviewed by a senior management Risk Steering Committee and the Board of Directors. The risk management process is reviewed independently by the Audit Committee of the Board.

The result is a strategic approach to risk. By focusing on those issues that can affect how well we achieve our long-term goals management is able to balance risk and reward appropriately and holistically strengthening and aligning the interests of management employees and shareholders. And by integrating this understanding into the company's culture we help transform risk management from a defensive function into a source of competitive advantage.

## Business Continuity

Our business continuity program is aligned with our risk management process. The program's primary objective is to support ongoing contingency planning to evaluate the impact of events that may adversely affect clients' assets or employees. We have established processes to support the continuity of our businesses during times of crisis. With a core staff and engagement by our business units we are able to respond appropriately as events arise. We also train our employees run simulation exercises and evaluate our program each year for potential improvements.



# Quality Assurance Plan

---

Pitney Bowes is an American based company Headquartered in Stamford, CT with operations strategically located throughout the US as well as globally. Our manufacturing capabilities consist of both in-house as well as through sub contract relationships. This methodology is in support of our key provider products that support the small, medium and large customer business segments globally. Our in-house operations are ISO 9000 certified and registered. In addition, Pitney Bowes leverages LEAN manufacturing techniques and Six Sigma methodologies in support of our processes. Furthermore we support multiple distribution points globally. Our most centrally located distribution center for support of our postage meter and scale population with over 120,000 sq. ft. is located in Whitestown, IN.

## **QUALITY & FULL PROTECTION GUARANTEE**

Pitney Bowes refuses to compromise where quality is concerned. Our systems are designed and manufactured as per below:

- Produced in ISO 9002 certified facilities and all facilities are monitored regularly for compliance with our quality assurance standards.
- Backed by our Full Protection Warranty
- Our company has a trusted brand built through over 92 years of producing quality products for our customers. We would not put our name on a product or back it with a comprehensive warranty without having the utmost confidence that it is the best available in the industry today.

At Pitney Bowes' internal manufacturing facility we follow detailed procedures, work instructions, and visual aids that are compliant with the ISO 9000 standards. Our procedures combined with thoroughly trained employees ensure we produce products to our defined specifications and that meet our rigorous quality requirements.

All of our Pitney Bowes locations are compliant to the ISO 9000 standard and we are assessed by British Standards Institute on a regularly scheduled basis. Over the past three years we have not received any major or minor non-conformances against our internal procedures or ISO 9001:2008 standard.

# Diversity Overview

---

Diversity is not simply an initiative for Pitney Bowes. It is the foundation of our company's success. Our workforce, suppliers and our management team reflect the diversity of the communities in which we do business. Since early in our history, we have seen that the best way to generate new ideas, make better decisions, and create a more productive environment is to draw from a wide variety of perspectives. Pitney Bowes consistently ranks high in studies of corporate diversity, where results are based on metrics ranging from employee demographics to the use of minority-owned suppliers.

## Recruiting

We have many diversity-related recruiting initiatives, including:

- Relationships with organizations that help attract diverse employees to Pitney Bowes; we attend career fairs sponsored by organizations such as NSHMBA, NMBBAA, NSBE, and SWE
- Advertising our career opportunities in many diverse publications such as Hispanic Business, DiversityInc., National Society of Black Engineers, Society of Women Engineers and Asian Enterprise
- Sponsorship of many conferences that promote diversity, such as the annual conference of the National Urban League
- Internal recruiters are encouraged to compile a diverse list of candidates
- Sponsorship of DiversityInc.'s website and advertisements of our job postings on their website
- Special events such as National Disability Day job shadowing and Junior Achievement job shadowing
- Sponsorship of several college level interns each year through our partnership with INROADS

While hiring diverse talent is one component of our success, it is not the complete solution. To foster a deep culture of diversity, we help our employees access diversity information, education and training on an ongoing basis. We also support minority and women-owned suppliers and commit time and energy to the communities in which we work and live. Pitney Bowes has developed several vehicles to maintain a high level of effort, sensitivity, and awareness throughout the corporation.

## Supplier Diversity Development

Pitney Bowes has a long and admirable history of corporate-wide commitment to minority and women-owned supplier development dating back to the 1960s. Pitney Bowes realized the need and importance of a full-time staff of Business Diversity professionals dedicated to creating and implementing various development programs and slates to increase procurement with M/WBEs and formalized its Business Diversity Development department in 1997. This department is also responsible for collecting, formulating, and distributing M/WBE purchase data to our many valued customers who require this type of specialized subcontracting reporting on a scheduled basis. Pitney Bowes has had outstanding success in growing our M/WBE supplier development program through direct and indirect procurement and participation in meaningful

outreach undertakings. Since Pitney Bowes manufactures, sells, and services most of its own products, most attention is given to the indirect type of corporate-wide purchasing. Indirect purchases are those that are not directly related to product but help support the overall Pitney Bowes operation.

Pitney Bowes is extremely proud of the results achieved. For FY 2005, Pitney Bowes purchased over \$49 million from M/WBEs, HUBZone and Disabled Veteran suppliers corporate-wide and we forecast even higher figures for FY 2006.

Reflecting our scope as a corporation that markets its products nationally, Pitney Bowes is an active member on several national and regional minority and women development councils and organizations. We are members of the National Minority Supplier Development Council (NMSDC), Connecticut Minority Supplier Development Council (CMSDC), including Board membership, Latin Business Association of California (LBA), United States Hispanic Chamber of Commerce (USHCC), the Women Business Enterprise National Council (WBENC) including Board membership, and other local and regional diversity organizations. Pitney Bowes annually participates in approximately 15 NMSDC, USHCC and WBENC national and regional trade fairs, conferences and forums. Additionally, Pitney Bowes' supplier diversity achievements have been nationally recognized, i.e., by National Minority Business Council's "Outstanding Corporate Supplier Diversity Award", Div2000 "Top 50 Companies for Diversity" – 2004, 2005 & 2006, and DiversityInc.com's "Top 50 Companies for Diversity" – 2004 and Asian Enterprise Magazine's Top 10 Corporations for Asian Americans –2004, 2005 & 2006.

Internally, Pitney Bowes encourages and fosters a proactive approach to M/WBE procurement.

Each Buyer in the Enterprise Procurement department is assigned very aggressive objectives to increase purchases and to develop strategic alliances with M/WBEs. A portion of each Buyer's performance review is measured against this objective. Pitney Bowes has created and implemented an online registration Website for all M/WBEs to register their company profile data with Pitney Bowes. Pitney Bowes is one of only a few corporations to have this capability. This online database of registered M/WBEs is accessible by all Pitney Bowes buyers and other decision-makers within the corporation.

# Competitive Advantage

---

In today's competitive market, few companies get a second act, much less a second century. Some of the most iconic companies have survived and prospered for more than 100 years — companies like Procter & Gamble, 3M, ExxonMobil, and General Electric. One study found that fewer than 1 in 10 publicly traded companies in the U.S. are 100 years old or older.

What sets these companies apart? It is the ability to adapt and succeed in the face of changing markets, disruptive technologies and new business models — not just once or twice, but consistently over the decades.

As we approach our second century as an industry leader, you won't find any complacency on our part.

We know there is no manifest destiny for corporations. We have to earn our leadership and continued longevity every day. This is why we're working so hard to transform Pitney Bowes — to achieve our vision of delivering innovative physical and digital products and solutions to our clients around the world.

To us, longevity is less a goal but more a symbol of what we're able to do for our clients and shareholders, day in and day out.

## Disruption and Transformation

To build a strong bridge to our second century, we need to have solid footings in both the physical and digital worlds. We have to be successful in our traditional businesses, like mailing, as we build new leadership positions in software and digital commerce. Our clients need us to be great at both.

Much has changed since Arthur Pitney joined Walter Bowes to commercialize the first postage meter and create the modern mailing industry we lead today. For decades, business was a series of predominantly physical transactions until the Internet and e-commerce disrupted the business models most companies knew best and created a world of vast new possibilities — and new competitors.