Whereas the Department awarded the above referenced contract to the Contractor for the provisions of Mail Processing Equipment; and

Whereas the Parties agree to amend the contract as provided in section 4.42 of State Term Contract No. 600-760-11-1; and

Therefore, in consideration of the mutual promises contained below, and other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, the Parties amend the contract as follows:

I. Section 5.6 Price Adjustments is amended so the Producer Price Index (PPI) referenced is replaced throughout with the following PPI for Industry: “Other Commercial and Service Industry Machinery Manufacturers, Mailing, Letter handling, and addressing machines, except parts and attachments. Series ID PCU3333183333183A”, and reads as follows:

Section 5.6 Price Adjustments
Prices shall be firm against increase for twelve (12) months from the original effective date of contract and no more than one (1) time per calendar year. After this period, requests for increase or decrease may be submitted to the State if there has been, or is, a documented increase in cost, with the State reserving the right to accept or reject request within thirty (30) days after receipt of request.

Price increase or decrease may be requested by either party one (1) time per year by using the Producer Price Index (PPI) for Industry: Other Commercial and Service Industry Machinery Manufacturers, Mailing, Letter handling and addressing machines, except parts and attachments as published by the U.S. Bureau of Labor Statistics. The rate adjustments will be based on the PPI (Series ID PCU3333183333183A).

The last published non-preliminary Producer Price Index (PPI) for the month prior to the award/anniversary date of the contract will be the reference date for the beginning (old) PPI. The most recent published Producer Price Index prior to the contract year to be priced will establish the reference data for the New PPI.

The price escalation / de-escalation formula will be tied to the change in the commodity for Other Commercial and Service Industry Machinery Manufacturers, Mailing, Letter handling, and addressing machines, except parts and attachments, PPI Series ID PCU3333183333183A. The formula is calculated by dividing the New PPI by the Old PPI to identify the Price Escalation Rate. The Old Price is multiplied by the Price Escalation Rate to determine the New Price. This formula applies after Year 1 of the contract and on each subsequent anniversary of the contract effective date. Details on how this PPI has historically
performed can be found at the Bureau of Labor Statistics web site and following the below steps:

i. Go to BLS website: http://www.bls.gov/ppi/
ii. Navigate to “PPI Database”
iii. Select Industry Data and click on “One –Screen Data Search” icon
iv. Type “333318” in the “Select An Industry” box for the Other Commercial and Service Industry Machinery Manufacturers category and hit the adjacent “Find” button.
v. Select “333183333183A” for Mailing, letter handling, and addressing machines in the “Select One or More Products” box and hit the adjacent “Find” button.
vi. Click the “Get Data” button.

A table similar to the one shown below will be created.

**Producer Price Index Industry Data**

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
</tr>
<tr>
<td>2004</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
</tr>
<tr>
<td>2005</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
</tr>
<tr>
<td>2006</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
<td>117.9</td>
</tr>
<tr>
<td>2007</td>
<td>113.2</td>
<td>113.8</td>
<td>113.8</td>
<td>113.8</td>
<td>113.8</td>
<td>113.8</td>
<td>113.9</td>
<td>113.9</td>
<td>113.9</td>
<td>113.9</td>
<td>113.9</td>
<td>114.2</td>
<td>113.9</td>
</tr>
<tr>
<td>2008</td>
<td>114.3</td>
<td>114.2</td>
<td>114.6</td>
<td>115.0</td>
<td>116.0</td>
<td>116.0</td>
<td>116.7</td>
<td>117.2</td>
<td>117.2</td>
<td>117.7</td>
<td>117.7</td>
<td>117.7</td>
<td>116.2</td>
</tr>
<tr>
<td>2009</td>
<td>117.7</td>
<td>117.7</td>
<td>117.7</td>
<td>117.7</td>
<td>117.7</td>
<td>118.9</td>
<td>118.9</td>
<td>118.9</td>
<td>118.9</td>
<td>119.0</td>
<td>119.0</td>
<td>119.0</td>
<td>118.4</td>
</tr>
<tr>
<td>2010</td>
<td>119.0</td>
<td>119.0</td>
<td>119.0</td>
<td>119.0</td>
<td>119.0</td>
<td>119.0</td>
<td>119.0</td>
<td>119.0</td>
<td>119.0</td>
<td>119.0</td>
<td>119.0</td>
<td>121.4</td>
<td>119.2</td>
</tr>
<tr>
<td>2011</td>
<td>121.0</td>
<td>121.0</td>
<td>121.0</td>
<td>121.0</td>
<td>121.0</td>
<td>121.0</td>
<td>121.0</td>
<td>121.0</td>
<td>121.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>121.2</td>
</tr>
<tr>
<td>2012</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
</tr>
<tr>
<td>2013</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
<td>122.0</td>
</tr>
</tbody>
</table>
AMENDMENT NO.: 3
Mail Processing Equipment
State Term Contract No.: 600-760-11-1

Example:

Feb 2012 is the first year anniversary of this contract
Old PPI: Jan 2011 PPI for Mail Equipment = 117.9
New PPI: Jan 2012 PPI for Mail Equipment = 119.9

Price Escalation / De-escalation Formula:
New PPI / Old PPI = Price Escalation Rate
“Old Price” x “Price Escalation Rate” = New Price (rounded up to the nearest %)

Calculation:

119.9 ÷ 117.9 = 1.0169 which equates to a Price Escalation Rate of 1.69%
$50.00 (unit price) x 1.0169 = $50.85 (New unit price for this product)

Feb 2013 is the second year anniversary of this contract
Old PPI: Jan 2012 PPI for Mail Equipment = 119.9
New PPI: Jan 2013 PPI for Mail Equipment = 116.4

Price Escalation / De-escalation Formula:
New PPI / Old PPI = Price Escalation Rate
“Old Price” x “Price Escalation Rate” = New Price (rounded up to the nearest %)

Calculation:

116.4 ÷ 119.9 = -3.5 which equates to a Price De- Escalation Rate of 3.5%
$50.85 (unit price 2012) x -3.5 = $49.07 (New unit price for 2013)

1. Any increases accepted during the term of the contract shall not become effective until thirty (30) days after the State provides written approval of request.
2. All requests for price adjustments must be substantiated by manufacturer's certification of cost or other documentation and approved by State prior to implementation.
3. There can only be one rate adjustment per six (6) month period and the maximum net rate percentage increase or decrease per six (6) month period shall not exceed 5% CAP.

II. Section 6.22 – second sentence is amended to read: “Item additions (including pricing) or deletions require prior approval by the Department.”.

III. Price Sheet.
The new price sheets with additions and deletions of items (“Attachment A”) are effective upon execution hereof and are located at the State Term Contract (STC) web site:

http://www.dms.myflorida.com/business_operations/state_purchasing/vendor_information/state_contracts_agreements_and_price_lists/state_term_contracts/mail_processing_equipment

IV. Conflict. To the extent any of the terms of this Amendment conflict with the terms of the Contract, the terms of this Amendment shall control.

V. Warrant of Authority. Each person signing this Amendment warrants that he or she is duly authorized to do so and to bind the respective party.
VI. Effect. Unless otherwise modified by this Amendment, all terms and conditions contained in the Contract shall continue in full force and effect.

State of Florida, Department of Management Services:  
By: _____________________________  
Name: Kelley J. Scott  
Title: Chief Procurement Officer  
Date: ___________________________

Contractor:  
By: _____________________________  
Name: ___________________________  
Title: _____________________________  
Date: ___________________________