

**Augusta, City of
Ralph St. Pierre
16 Cony Street
Augusta, ME 04330
Five-Year Basis beginning with the 2010/2011 Fiscal Year**

Copies-per-Year: 980, 025

Present vs. Proposed Recommendations as of 5/1/10

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**3 years**
- 2) Annual Price Ceilings Left...**3 years**
- 3) High Volume Console Units with 3 Million +...**three**
- 4) Units to be Traded...**Nineteen**
- 5) Photocopiers...**Twenty-Three**
- Computer Interfaced...**Fifteen**
- 6) Network Printers....**Eleven**
- 7) Color Photocopiers Networked ...**Three**
- 8) High Speed Duplicator(s)...**None**
- Total number of Units...**Thirty-Four**
- 9) Duplex's...**Twenty-Four**
- 10) Sorter's...**Twenty-Eight**
- 11) Finisher's...**Twelve**

PROPOSED SITUATION

- 1) Guarantees for both New, Recons & Used Photo's...**Five+ Years**
- 2) 5% or CPI Annual Ceilings, whichever is less...**Five+ Years**
- 3) High Volume Console Units with 3 Million +...**two**
- 4) Replaced by **Fifteen New Machines**
- 5) Photocopiers...**Twenty-Five**
- Computer Interfaced ..**Twenty-Four with Print &-Or Scan**
- 6) Low Operational Cost Network Printers...**Four**
- 7) Low Cost Color Photocopiers Networked..**Six**
- 8) High Speed Duplicator (s)...**None**
- Total number of Units...**Twenty-Nine**
- 9) Duplex's...**Twenty-Nine**
- 10) Sorter's...**Twenty-Nine**
- 11) Finisher's >> Staple-Sorter & Or 3-Hole Punch...**Fifteen**

Overall Description of Equipment Fleet:

Presently, you Nineteen machines that would be traded out ... for Fifteen New...all with Five Year warranties.

Capital:

Presently, you have one municipal lease that will be paid off. This will prevent an overlapping effect which causes major fluctuations from year to year. With the new arrangement, you will again have one 'municipal' master lease at **4.13%** interest. Your first of six annual lease payments will be due on August 1'st 2010. You can shorten up the lease payments to five by adding **\$4,854.57**(Interest Rate will drop to **3.93%**. A legal opinion from SPC's bond counsel (John Larouche in Augusta ME) will be done on this lease transaction. This will assure that all documents are prepared correctly and signed by the appropriate school and bank officials, and that the lease purchase is a tax-exempt obligation with no premium payable by the school district for prepayment. At your own expense, you can have your own bond counsel also review the documents which would simply duplicate this service.

Service & Supplies:

Considering all of your consumable cost centers including service you are averaging \$0.007234 for Black Prints while Current Color CPC is at \$0.22679. SPC's bidding process yielded a CPC for black at \$0.004344 while color came in at \$0.053488.

Vendor Packages:

SPC has brought to you **Four** different vendor combinations, matching up the best technology available to meet your needs. We would like to highlight the most qualified bid combination, which is **A-Copi (Toshiba) & Xerox-Vary**

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1. Service & Supplies Color Photo only	\$8,531.85	\$2,012.23
2. Service & Supplies Black Photo only	\$6,817.76	\$4,094.11
3. In House Printing (LENP)	\$2,307.48	\$731.97
4. Forced Upgrades	\$12,050.00	\$00.00
5. Annual Muni Lease	<u>\$19,919.86</u>	<u>\$28,237.06</u>
Totals	\$49,626.95	\$35,075.37
Annual Cost Savings		\$14,551.58
Five Year Cost Savings		\$72,757.90

The successful bidders will have a blanket servicing contract that includes all consumables excluding only staples and paper for all of the equipment that is under their factory authorized ability to service. They will provide one easy 'Cost per Copy' billing plan done once a year in June-July. Your service contract will be fixed through **June 30th 2011**. A contract extension has been negotiated for four more years, which will have an annual price ceiling of five percent or CPI, whichever is less. You however, only commit funds for one-year at a time to the servicing vendor. And even this scenario allows you to upgrade, lowering the service costs, if it is to your advantage to go out to bid at any time. SPC will set up both the service- supply contracts and the warranty cards with the successful bidding vendors.