

Greater Augusta Utility District
12 William Street
Augusta, ME 04330
Five-Year Basis beginning with the 2014/2015 Fiscal Year

Copies-per-Year: 196,146

Present vs. Proposed Recommendations as of 8/1/14

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**Two Year**
- 2) Annual Price Ceilings Left... **Two Year**
- 3) High Volume Console Units...**0**
- 4) Units to be Traded...**3 w/ 11 Decommissioned**
- 5) Photocopiers...**4**
Computer Interfaced...**4**
- 6) Network Printers....**11 w/ 8 Color & 8 Ink Jet**
- 7) Color Photocopiers Networked ...**1**
Total number of Units...**15**
- 8) Duplex's...**4**
- 9) Sorter's...**15**
- 10) Finisher's...**2**

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 plus...**0**
- 4) Replaced **3 New**
- 5) Photocopiers...**4**
Computer Interfaced...**4** with Print &-Or Color Scan with Hard Drive
- 6) Network Printers...**0**
- 7) Low Cost Color Photocopiers Networked...**3**
Total number of Units...**4 CO 11 Due to Combining**
- 8) Duplex's... **4**
- 9) Sorter's... **4**
- 10) Finisher's... **3**

Overall Description of Equipment Fleet:

Presently, you have **Two different Manufacturers & Dozens of different Models of Low end Network Printers that are costing you from \$0.12 for Ink Jet & \$0.035 per black print. Color prints are costing you as high as \$0.40 per print! The new arrangement will eliminate your printers and shift the volume over to Multifunction low cost of operation units that will cut your cost down substantially.**

Capital:

Presently, you have **one** municipal lease that will be paid off on August 2 2014. With the new arrangement, you will again have **one** 'municipal' master lease at 2.79% interest. Your first of five annual lease payments will be due on August 1'st 2015. 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 **\$0.043113 for black and \$0.2895 for Color**. The new contract will come in at a CPC of **\$0.004183 for Black and \$0.04995 for Color**.

Vendor Packages:

SPC has brought to you **Seven** 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 with Toshiba Photocopiers**.

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1. Service & Supplies Color Photo only	\$13,739.19	\$2,370.23
2. Service & Supplies Black Photo only	\$6,410.61	\$621.99
3. Annual Muni Lease	\$1,990.31*	\$5,523.30
4. Forced Upgrade	<u>\$6,150.00</u>	<u>\$00.00</u>
Totals	\$28,290.11	\$8,515.52

***Your previous lease was for One NEW machine. The City calculated your outlay by volume rather than actual cost, therefore the current lease cost is lower than the actual cost of the equipment. Your new lease reflects actual cost for **three** new units.**

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 twice a year in July & January with a reconciliation invoice in June. Your service contract will be fixed through **June 30th 2015**. 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.

Security package: Wiping out old data on trade out units has been included in the package.