

**Augusta Schools
James Jurdak
12 Gedney Street
Augusta, ME 04330
Five-Year Basis beginning with the 2010/2011 Fiscal Year**

Copies-per-Year: 6,486,190

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

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**None Discovered**
- 2) Annual Price Ceilings Left...**None Discovered**
- 3) High Volume Console Units...**Eighteen**
- 4) Units to be Traded...**Forty-Seven...One Loaner Return**
- 5) Photocopiers...**Thirty-Nine**
 - Computer Interfaced...**Thirteen**
- 6) Network Printers....**Twenty-Three**
- 7) Color Photocopiers Networked ...**Two**
- 8) High Speed Duplicator(s)...**Three**
 - Total number of Units...**Sixty-Five**
- 9) Duplex's...**Sixty-One**
- 10) Sorter's...**Sixty-Two**
- 11) Finisher's...**Fifty-One.....One Saddle Stitch**

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...**Twenty-Six**
- 4) Replaced by **Thirty-Six New Units & Four Recon Units**
- 5) Photocopiers...**Fifty-Two**
 - Computer Interfaced ..**Fifty-Two with Print &-Or Scan**
- 6) Low Operational Cost Network Printers...**Two Color**
- 7) Low Cost Color Photocopiers Networked...**Nine**
- 8) High Speed Duplicator (s)...**None**
- Total number of Units...**Fifty-Four**
- 9) Duplex's...**Fifty-Four**
- 10) Sorter's...**Fifty-Four**
- 11) Finisher's...**Forty**

Overall Description of Equipment Fleet:

Presently, you have **Forty-Eight** machines that would be traded out or Returned ... for **Thirty-Six** New and **Four** Recon units... all with Five Year warranties. In addition, 100% of your entire fleet with confidential print.

Capital:

Presently, you have **one** municipal lease that is 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 **3.93%** interest. Your first of five annual lease payment will be due on August 1'st 2010. 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 **\$0.006027 for black and \$0.1452 for Color**. The new contract will come in at a CPC of **\$003974 for Black and \$0.06508 for Color**.

Vendor Packages:

SPC has brought to you **Five** 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) KMBS (Konica Minolta) & Xerox-Vary**

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1. Service & Supplies Color Photo only	\$8,278.91	\$3,460.46 >> Invoiced Quarterly in Arrears
2. Service & Supplies Black Photo only	\$32,439.50	\$23,444.04 >> Invoiced Annually 80% of projected-Reconciled End of Year
3. In House Printing (Volume shifted to copiers)	\$6,437.34	\$1,797.99 >> Invoiced Annually 80% of projected-Reconciled End of Year
4. In House Printing with Vary	\$13,353.87	\$5,414.65
5. Annual Muni Lease	\$45,914.38	\$49,486.76
Totals	\$106,364.38	\$83,603.90
Annual Cost Savings		\$22,760.48
Five Year Cost Savings		\$113,802.40

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.