

Cheshire Medical Center
George Rennie
580 Court Street
Keene, NH 03431
Five-Year Basis beginning with the 2011/2012 Fiscal Year

Copies-per-Year: 14,737,810

Present vs. Proposed Recommendations as of 4/1/11

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**One Year**
- 2) Annual Price Ceilings Left...**One Year**
- 3) High Volume Console Units...**Six**
- 4) Units to be Traded...**74 & 240 Lease Returns**
- 5) Photocopiers...**Eighty-Two**
 Computer Interfaced...**Eighty-One**
- 6) Color Photocopiers Networked ...**Three**
- 7) High Speed Duplicator(s)...**One**
 Total number of Units...**380 Units Incl. Fax**
- 8) Duplex's...**Fifty-Nine**
- 9) Sorter's...**Eighty-Two**
- 10) Finisher's...**Forty-One....One has Saddle Stitch**
- 11) Fax Units ... **Sixty-One**
- 12) **Network Printers....Two Hundred Forty-Nine**
 ✚ **Aged fleet up to 14 years old....Only 19 New**
 ✚ **Twenty-Seven Different Models**

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...**Seven**
- 4) Replaced by **Three Hundred & One New Units (Printers and MFP's)**
- 5) Photocopiers...**One Hundred & Forty-Two**
 Computer Interfaced ...**One Hundred & Forty-Two with Print &-Or Scan**
- 6) Low Cost Color Units Networked...**90 with Color Lock**
- 7) High Speed Duplicator (s)...**One**
 Total number of Units...**Three Hundred & Three**
- 8) Duplex's... **Three Hundred & Three**
- 9) Sorter's... **Three Hundred & Three**
- 10) Finisher's...**Thirty-Eight**
- 11) Fax Units ...**One Hundred & Nine (Many MFP's offer as standard)**
- 12) Low Operational Cost **Network Printers...One Hundred & Sixty-One**
 163 New Units
 Five Models...Three Network Printers and Two MFP's

Capital:

Presently, you have one lease at 8% 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 master lease at 5.75% interest (Subject to Financials). Your first of five annual lease payments will be due on November 1st 2011. There will be a down payment of \$16,910.85 which will be due in **April 15**.

Service & Supplies:

Considering all of your consumable cost centers including service you are averaging \$0.014452 for black and \$0.10524 for Color. The new contract will come in at a CPC of \$0.006287 for Black and \$0.048942 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 **Ricoh USA (299 New Units) & Vary Technologies (#2 New Xerox Units)**.

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1. Service & Supplies Color Photo only	\$89,870.44	\$41,803.06>> Invoiced Quarterly in Arrears
2. Service & Supplies Black Photo only	\$204,452.66	\$85,037.78>> Invoiced Annually 80% of projected-Reconciled End of Year
3. Forced Upgrades	\$53,700.00	\$00.00
4. Annual Muni Lease	<u>\$138,498.33</u>	<u>\$229,858.19</u> Includes Data Wipe of Trade out units & \$30,000 Escrow*
Totals	\$486,521.43	\$356,699.03
Annual Cost Savings		\$129,822.40
Five Year Cost Savings		\$649,112.00

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 2012**. 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.

✚ **Print Management Software included...Over \$80,000**

✚ **Escrow Fund to be used to acquire Hot Swap units, flexibility during the install process (Additional Features needed) and to add equipment that may be needed during the contract term.**