



Specialized Purchasing Consultants

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Gorham, NH 03581

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www.spccopypro.com

2012-13 Annual Report

Year - End Photocopier Analysis

With projected costs for 2013-14

Derry, Town of
14 Manning Street
Derry, NH 03038



Specialized Purchasing Consultants Corp.
Serving Maine & New Hampshire since 1988

November 2013

Skip Tilton
President

Corporate Office:
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Gorham, NH 03581
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Andrew Loranger
Derry, Town of
14 Manning Street
Derry, NH 03038

Dear Andrew:

VISIT US ON THE WEB:
www.spccopypro.com

Once again the staff at SPC extends their appreciation to you for allowing us to provide beneficial services to you and your organization for the past *7 years*. We are thrilled with all that we have been able to accomplish on behalf of our clients for the past *25 years*, and we are even more excited about all that we are doing on your behalf in the upcoming year.

Our staff continues to look for new ways to improve our services. This year, we are establishing several money- and time-saving programs you will no doubt appreciate. First, we are now offering **SPC Star Doc**. Utilizing the latest technology, SPC has created, developed, and implemented this one-of-its kind program designed to put you in charge of your own budget by giving you predictive tools to determine your individual and building reprographic equipment usage in advance. Second, we now have a **Simplified Billing Program** that reduces paperwork and invoices and minimizes the impact of meter collection on your staff. Finally, we have **redesigned our website** to readily highlight the benefits and services provided by SPC.

This year's Annual Report provides you with an overview of your equipment usage and status for the past fiscal year. Recommendations are provided to address potential problem areas to avoid needless down time and improve equipment reliability for the years to come.

Thank you again for allowing SPC the opportunity to be of service. If you have any questions or are in need of more information, please let us know.

Sincerely,

Skip Tilton
President

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The SPC Team...

would like to personally thank you for your continued trust and confidence!



Skip Tilton, President

Billie Jo Tilton, Vice President

As co-founders of SPC, Billie Jo and I are very proud of our team of professionals. The concept of group purchasing to save millions has grown since 1988 into providing over 16 different managerial services that increase reliability and extend the life of your equipment. However, none of this would have been possible without the loyalty of over 87 clients (3,800+ machines with 1.6 billion prints over five years). Together, we have realized the lowest prices possible while improving the quality of your service and equipment.



Paul Garozzo

General Manager

As General Manager my goal is ensure our clients are pleased with our services and also provide solutions that are efficient, productive and reduce cost. With my 23 years in the copier industry, I will use my experiences to achieve this

goal. In addition, I will be utilizing our new SPC STAR Doc system to further enhance SPC services. Clients will now have the benefit of visually seeing where all their devices are located and project future expenses. I could not be more excited to join the SPC team.

Glen Fortier

Auditor, Electronic Specialist & Equipment Implementation

With 24 years of experience in the electrical field, I look forward to continually meeting and helping all of you with your reprographic needs. It is my sincere commitment to ensure all machine changes are as smooth as possible.



Sue Penney

Administration & Finance Manager

SPC is committed to providing cost-effective and reliable reprographics platforms to our community of clients. My 20+ years of experience in corporate management will be key in strengthening the relationships between SPC's clients

and vendors. I will be focused on responding to your inquiries with the goal of solving any issues that may arise in a timely and efficient manner. Providing quality customer service is my top priority.

Alex Webster

Director of Customer Relations

It is a great pleasure for me to join the SPC team. One of my responsibilities involves creating detailed maps of your copiers and printers and will be assisting the team in monitoring all of your equipment. My background as a Network Technician and my experience in Customer Service will allow me to give our clients the level of service that they have come to expect from SPC. It is my personal goal to aid in fulfilling each and every promise made to our valued clients.



The SPC Team Continued....



Robert B. Dutil

Director of Information Technology

I have been working with SPC since February 2000. SPC's honesty, work ethics and loyalty have made my experience with the company a pleasurable journey. SPC is constantly trying to improve their technology to better serve their clients. My goal has been to give our clients and associates the best tools available to allow them to be more productive. By doing this, our clientele has the ability to monitor their assets and keep their costs down. I am excited about what the future holds for SPC and our clients.

Rachel Guay

Accounting Coordinator

I am responsible for the majority of the accounting communications between SPC and its vendors and clients. I will rely upon my years of experience and my strong attention to detail to ensure our clients' needs are well served. It is my goal to work accurately and efficiently and to uphold the high standards of customer satisfaction that SPC has provided to their customers. I look forward to establishing a strong working relationship with each and every one of you.



Pam Weed

Client-Vendor Relations

SPC's clients are my Number One priority. When you have a question, concern, need, or problem related to equipment, service or billing, I am available to assist you in getting it resolved promptly. I am pleased to be able to act as liaison between our clients and vendors to ensure smooth transitions or quick resolutions.

Joel Heffernan

Field Representative – Client Relations

As Field Representative for SPC, I reach out to the customer to offer help as needed in and during the installation of equipment change over and in assisting in each event. Also, I bring to this company over forty years in the Copier/Printer industry. It is my goal to assure our clients a pleasant experience in using SPC's services.



Charles Baca

Operational Support

I feel privileged to join SPC and honored that I am able to work with such an amazing team. I'm here to help make sure that the SPC headquarters runs as smoothly as possible. That includes technical issues and networking matters. I also make sure that all of our clients' data are up to date and as accurate as possible. I love working at SPC because it's a challenging work environment committed to their clients.

Equipment Health Status

Total Number of Machines:	18
Total Black Photocopiers	12
Total Color Photocopiers (including MFP)	3
Total Low Cost of Operation Black Network Printers	0
Total Low Cost of Operation Color Network Printers	1
Total High-Speed Duplicators	0
Total Low-End Network Printers	0
Total Removed from Service:	2
# of Units OFF Warranty:	0
# of Units Approaching End of Warranty:	7
# of Units Overused:	0
# of Units Underused:	0
# of Units Connected to Network with Print and/or Scan	16
Commencement Date:	8/2/2010
# of Annual Payments Left on Lease	1
All Warranties and Service Contracts Expire:	6/30/2015
SPC's FM Audit Print Management Software Loaded	Yes
LENP Contract Signed	No

NOTE: When a machine goes off warranty, it does not mean that the service contract expires. It simply means that if a replacement machine becomes necessary, it may not be at "no charge."

Dear Andrew,

As we have discussed, we should be looking at an upgrade in 2014. There is no need to resign an SPC agreement since one is already in place that allows you to accept or reject the bids but keeps SPC under contract to rebid your five year plan.

Last year you opted to reject the bids, SPC stands ready to rebid your town in 2014. We would simply resurrect the old Five Year plan and review the specs to make sure we are on the same page. We would then combine you with several other larger school districts in order to get the best pricing...See page 21.

Skip

Aging Equipment Summary

The following equipment is seven or more years from the date they were first offered for sale by the manufacturer. This is a major factor because availability of parts, cost of operation and warranties all become diminished at 10 years from the date of Intro. Usage, age, and service history need to be considered to see if they are due for replacement soon.

Building	Department	Make/Model	Serial #	Vendor ID	Intro Date
Derry Library	Downstairs	Ricoh 2020D	K8366443404	11450969	11/2005
Derry Library	Upstairs	Ricoh 2020D	K8366442190	11486881	11/2005
Derry Municipal Center	Executive 3rd Floor	Ricoh 2051	K4465200376	11628022	11/2004
Derry Municipal Center	Executive 3rd Floor	Ricoh CL7200	Q3760300010	11451049	07/2005
Derry Police	Main Office	Ricoh 2051	K4465100161	11451684	11/2004
Derry Waste Water	Super's Office	Ricoh 3025	K8565104176	11628235	10/2005

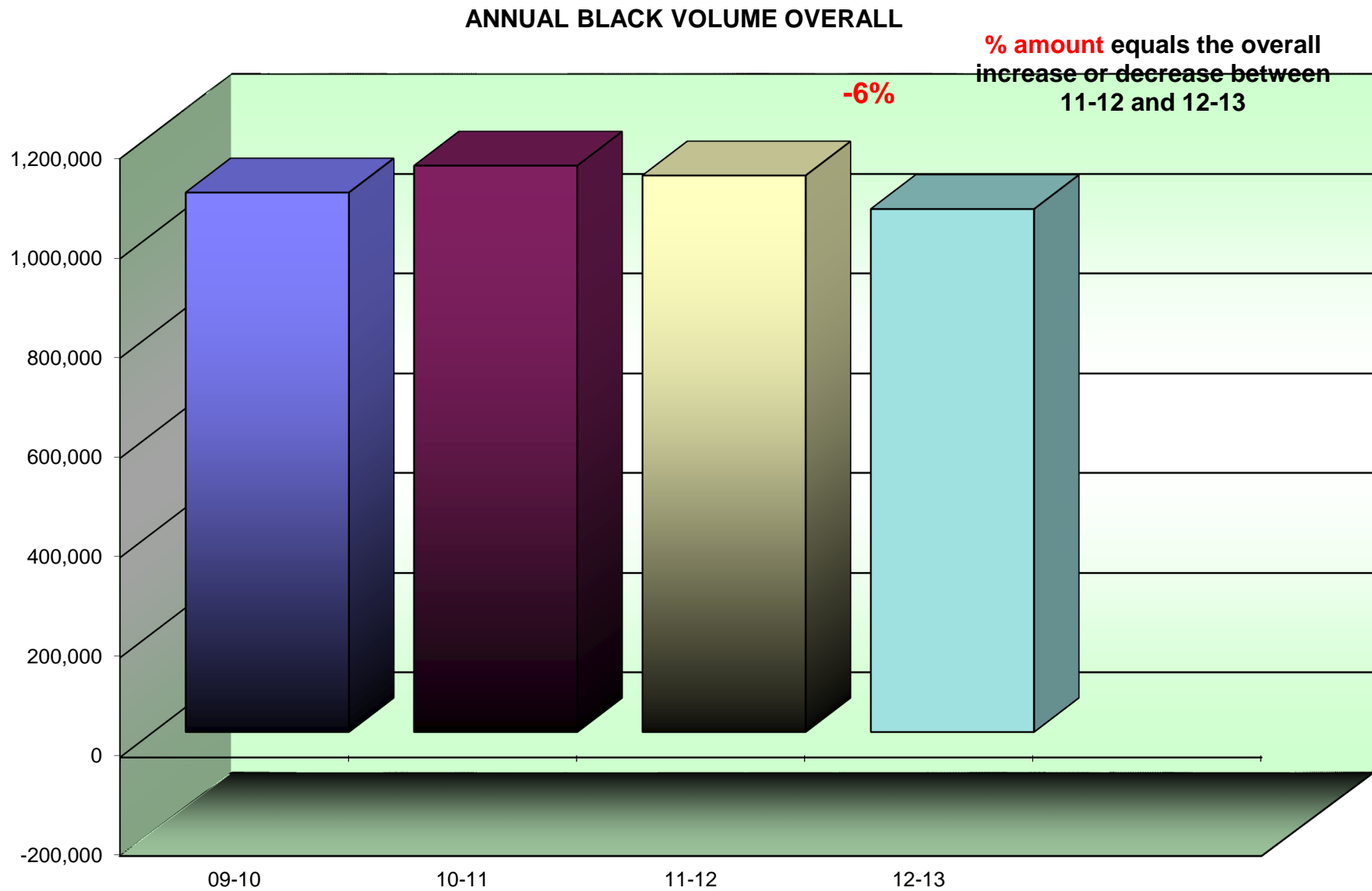
Expiring or Expired Xerox Service Contracts

The following Xerox solid-ink printers and/or multi-function units are under a pre-paid Service Contract that either has expired or will be expiring soon. Replacing these printers or purchasing a new service contract should be discussed.

Building	Department	Make/Model	Serial #	Service Contract Expiration Date
----------	------------	------------	----------	-------------------------------------

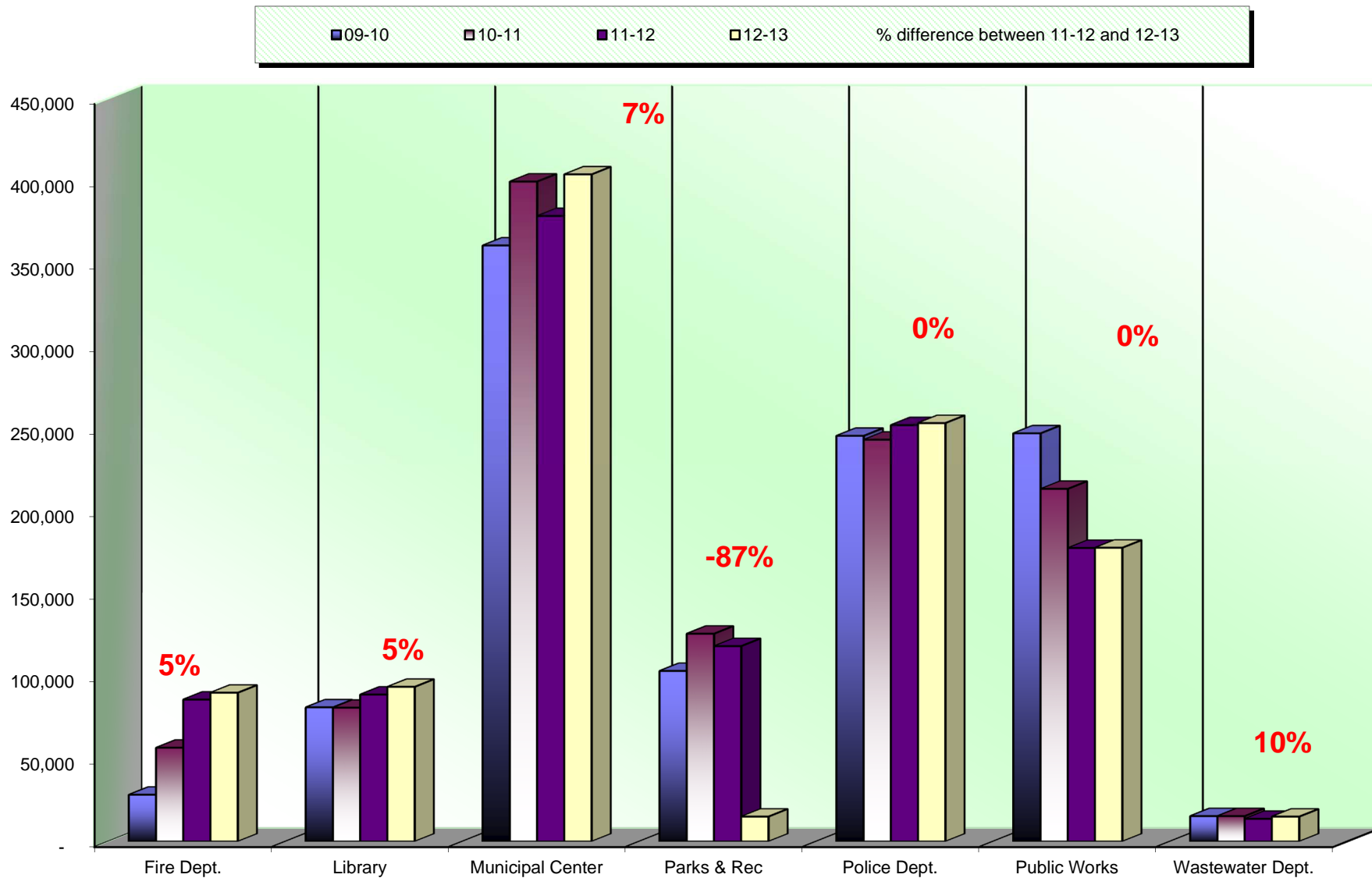
None at this time.

Overall Four-Year Trend – Black Usage

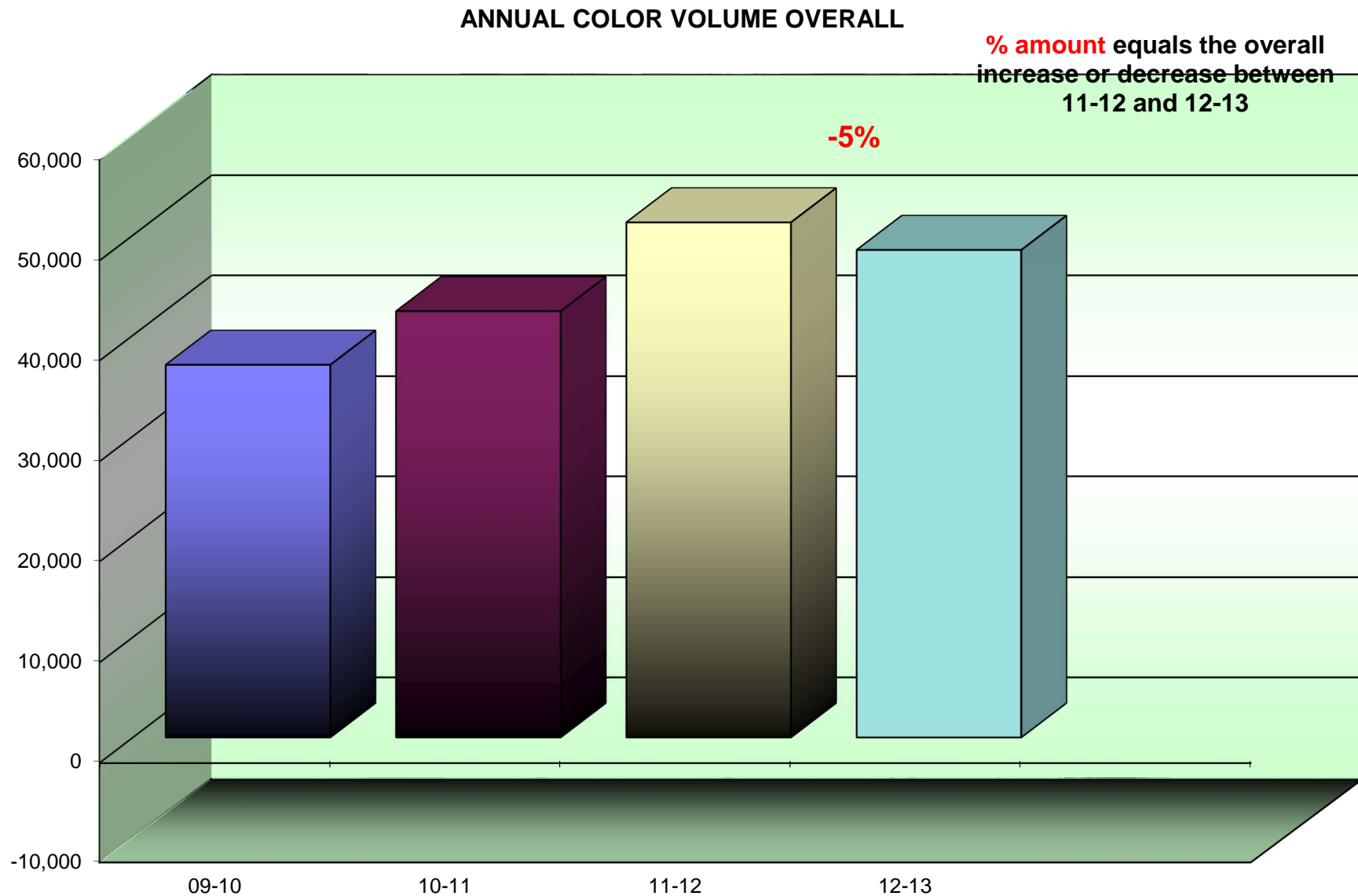


By Building Four-Year Trend – Black Usage

ANNUAL BLACK VOLUME BY BUILDING

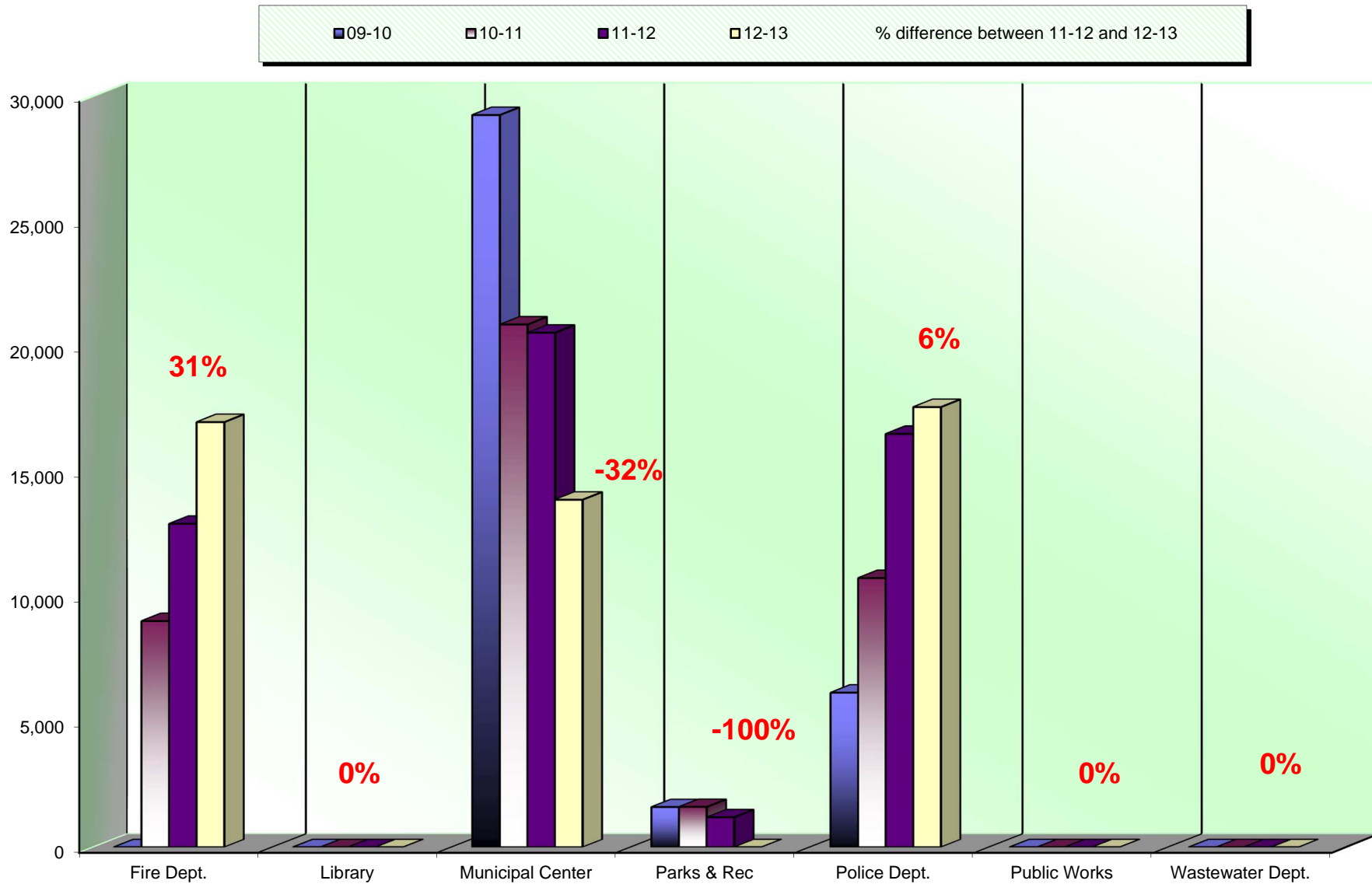


Overall Four-Year Trend – Color Usage



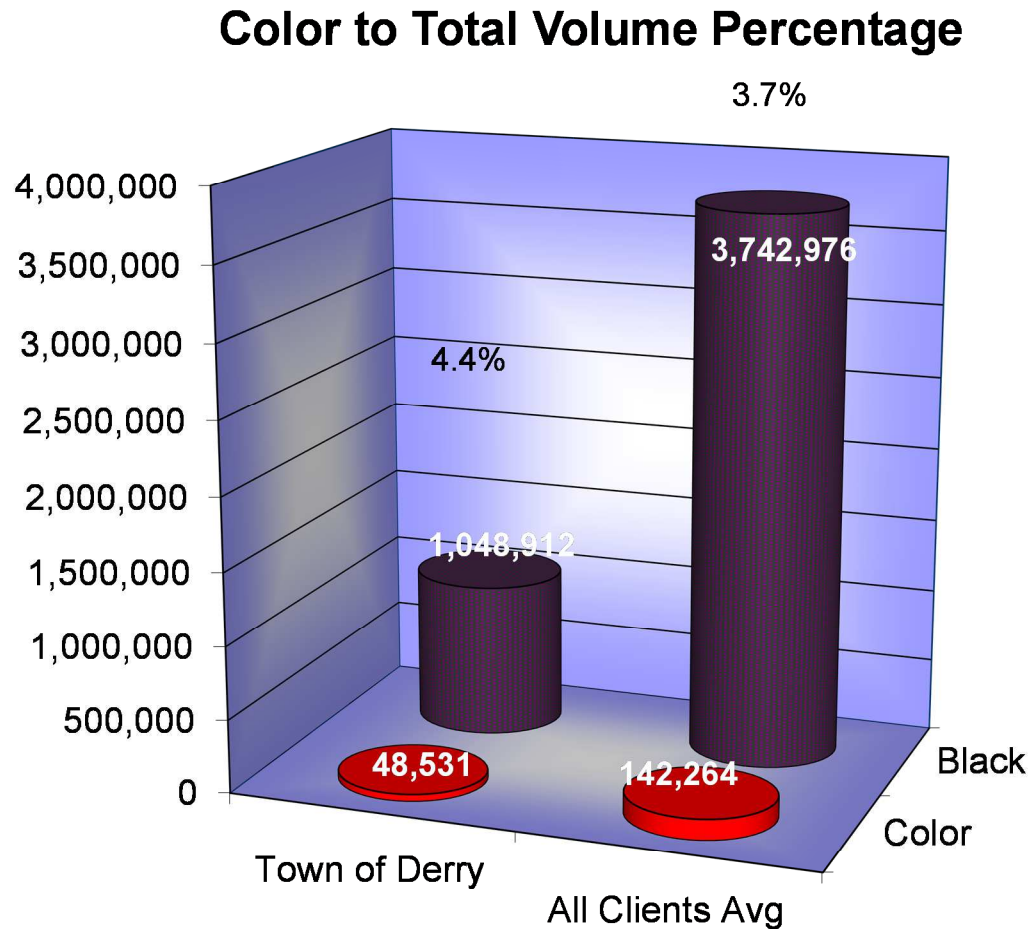
By Building Four-Year Trend – Color Usage

ANNUAL COLOR VOLUME BY BUILDING



Black & Color Usage Comparisons

This chart compares your current usage ratios to the average of all related SPC clients.



Usage Profile for Service & Supplies

The usage analysis shown here provides an overview of the usage of each piece of equipment currently under contract and monitored by SPC. Projected Volume comparison is based on projected volume figured on your most recent Five-Year Equipment Replacement Schedule.

Date of Last Upgrade: 8/2/2010

<i>Make-Model / Speed Serial Number / Vendor ID Life / Intro Date Connectivity / Printer Exp Date Vendor</i>	<i>7/1/2012 Meter</i>	<i>6/30/2013 Meter</i>	<i>2012-13 Annual Volume</i>	<i>Cost/Copy Annual Cost</i>	<i>Recommendation</i>
Derry Fire Administration					
Ricoh MPC2050 20 CPM	76,620	124,091	47,471	\$0.003990	None at this time.
V2205700079 / 12165143				\$189.41	
300,000 / 12/2008	22,033	39,049	17,016	\$0.05106	
Color Photocopier Connected IKON				\$868.84	
EMS Supply					
Ricoh MP5000B 50 CPM	54,723	97,227	42,504	\$0.003990	None at this time.
M5605600036 / 12166880				\$169.59	
1,000,000 / 02/2008	0	0	0	\$0.00000	
Black Photocopier Connected IKON				\$0.00	
	Subtotals B&W		89,975	\$359.00	
	Subtotals Color		17,016	\$868.84	

Derry, Town of

Date of Last Upgrade: 8/2/2010

<i>Make-Model / Speed Serial Number / Vendor ID Life / Intro Date Connectivity / Printer Exp Date Vendor</i>	<i>7/1/2012 Meter</i>	<i>6/30/2013 Meter</i>	<i>2012-13 Annual Volume</i>	<i>Cost/Copy Annual Cost</i>	<i>Recommendation</i>
Derry Library					
Downstairs					
Ricoh 2020D 21 CPM	60,847	62,371	1,524	\$0.004300	8 years from Intro.
K8366443404 / 11450969				\$6.55	
500,000 / 11/2005	0	0	0	\$0.00000	
Black Photocopier				\$0.00	
Not Connected					
IKON					
Main Office					
Ricoh MP5000B 50 CPM	109,166	189,102	79,936	\$0.003990	None at this time.
M5605700041 / 12166080				\$318.94	
1,000,000 / 02/2008	0	0	0	\$0.00000	
Black Photocopier				\$0.00	
Connected					
IKON					
Upstairs					
Ricoh 2020D 21 CPM	100,383	112,457	12,074	\$0.004300	8 years from Intro.
K8366442190 / 11486881				\$51.92	
500,000 / 11/2005	0	0	0	\$0.00000	
Black Photocopier				\$0.00	
Not Connected					
IKON					
	Subtotals B&W		93,534	\$377.42	
	Subtotals Color		0	\$0.00	

Derry, Town of

Date of Last Upgrade: 8/2/2010

<i>Make-Model / Speed</i> <i>Serial Number / Vendor ID</i> <i>Life / Intro Date</i> <i>Connectivity / Printer Exp Date</i> <i>Vendor</i>	<i>7/1/2012</i> <i>Meter</i>	<i>6/30/2013</i> <i>Meter</i>	<i>2012-13</i> <i>Annual</i> <i>Volume</i>	<i>Cost/Copy</i> <i>Annual Cost</i>	<i>Recommendation</i>
Derry Municipal Center					
1st Floor					
Ricoh MP5000B 50 CPM	212,081	375,056	162,975	\$0.003990	None at this time.
M5605700034 / 12170383				\$650.27	
1,000,000 / 02/2008	0	0	0	\$0.00000	
Black Photocopier				\$0.00	
Connected					
IKON					
Executive 3rd Floor					
Ricoh 2051 51 CPM	651,776	735,432	83,656	\$0.004300	9 years from Intro.
K4465200376 / 11628022				\$359.72	
3,000,000 / 11/2004	0	0	0	\$0.00000	
Black Photocopier				\$0.00	
Connected					
IKON					
Ricoh CL7200 32 CPM Black/28 CPM	30,403	34,830	4,427	\$0.004300	8 years from Intro.
Q3760300010 / 11451049				\$19.04	
750,000 / 07/2005	50,586	57,552	6,966	\$0.05106	
Color Network Printer				\$355.68	
Connected					
IKON					

Derry, Town of

Date of Last Upgrade: 8/2/2010

<i>Make-Model / Speed</i> <i>Serial Number / Vendor ID</i> <i>Life / Intro Date</i> <i>Connectivity / Printer Exp Date</i> <i>Vendor</i>	<i>7/1/2012</i> <i>Meter</i>	<i>6/30/2013</i> <i>Meter</i>	<i>2012-13</i> <i>Annual</i> <i>Volume</i>	<i>Cost/Copy</i> <i>Annual Cost</i>	<i>Recommendation</i>
Derry Municipal Center					
Finance Department					
Ricoh MP5000B 50 CPM	131,812	209,605	77,793	\$0.003990	None at this time.
M5605700040 / 12164876				\$310.39	
1,000,000 / 02/2008	0	0	0	\$0.00000	
Black Photocopier				\$0.00	
Connected					
IKON					
Human Services					
Ricoh MP3351 33 CPM	89,606	148,903	59,297	\$0.003990	None at this time.
V8305800935 / 12164790				\$236.60	
750,000 / 12/2009	0	0	0	\$0.00000	
Black Photocopier				\$0.00	
Connected					
IKON					
Main Office					
Ricoh MPC3000 30 CPM	44,831	60,682	15,851	\$0.004300	7 years from Intro.
L3775700551 / 11335772				\$68.16	
750,000 / 02/2007	49,972	56,909	6,937	\$0.05106	
Color Photocopier				\$354.20	
Connected					
IKON					
	Subtotals B&W		403,999	\$1,644.18	
	Subtotals Color		13,903	\$709.89	

Derry, Town of

Date of Last Upgrade: 8/2/2010

<i>Make-Model / Speed</i> <i>Serial Number / Vendor ID</i> <i>Life / Intro Date</i> <i>Connectivity / Printer Exp Date</i> <i>Vendor</i>	<i>7/1/2012</i> <i>Meter</i>	<i>6/30/2013</i> <i>Meter</i>	<i>2012-13</i> <i>Annual</i> <i>Volume</i>	<i>Cost/Copy</i> <i>Annual Cost</i>	<i>Recommendation</i>
Derry Parks & Recreation					
STORAGE					
Ricoh 3045 45 CPM	673,107	688,163	15,056	\$0.004300	Removed from service 8/15/12
K9465300108 / 11450984				\$64.74	
1,000,000 / 10/2005	0	0	0	\$0.00000	
Black Photocopier				\$0.00	
Connected					
IKON					
Xerox C2424DP 24 CPM Black & Color	2,465	2,465	0	\$0.005010	Removed from service 8/15/12
VVK019998 / N/A				\$0.00	
500,000 / 03/2005	14,786	14,786	0	\$0.08970	
Color Photocopier				\$0.00	
Connected 12/31/2014					
VARY					
	Subtotals B&W		15,056	\$64.74	
	Subtotals Color		0	\$0.00	

Derry, Town of

Date of Last Upgrade: 8/2/2010

Make-Model / Speed Serial Number / Vendor ID Life / Intro Date Connectivity / Printer Exp Date Vendor	7/1/2012 Meter	6/30/2013 Meter	2012-13 Annual Volume	Cost/Copy Annual Cost	Recommendation
Derry Police					
Main Office					
Ricoh 2051 51 CPM K4465100161 / 11451684 3,000,000 / 11/2004 Black Photocopier Connected IKON	707,112 0	844,047 0	136,935 0	\$0.004300 \$588.82 \$0.00000 \$0.00	9 years from Intro.
Ricoh MPC3300 33 CPM V1505700265 / 12164982 750,000 / 10/2008 Color Photocopier Connected IKON	26,577 23,018	43,410 40,630	16,833 17,612	\$0.003990 \$67.16 \$0.05106 \$899.27	None at this time.
Records Dept.					
Ricoh MP6000 60 CPM M9285301016 / 11334347 3,000,000 / 04/2008 Black Photocopier Connected IKON	439,547 0	539,253 0	99,706 0	\$0.004300 \$428.74 \$0.00000 \$0.00	None at this time.
	Subtotals B&W		253,474	\$1,084.72	
	Subtotals Color		17,612	\$899.27	

Derry, Town of

Date of Last Upgrade: 8/2/2010

<i>Make-Model / Speed</i>	<i>Serial Number / Vendor ID</i>	<i>Life / Intro Date</i>	<i>2012-13</i>	<i>Cost/Copy</i>	<i>Recommendation</i>
<i>Connectivity / Printer Exp Date</i>	<i>7/1/2012</i>	<i>6/30/2013</i>	<i>Annual</i>	<i>Annual Cost</i>	
<i>Vendor</i>	<i>Meter</i>	<i>Meter</i>	<i>Volume</i>		
Derry Public Works					
Copy Room					
Ricoh MP7001 70 CPM	303,517	481,371	177,854	\$0.003990	None at this time.
V7005700102 / 12166081				\$709.64	
4,000,000 / 06/2009	0	0	0	\$0.00000	
Black Photocopier				\$0.00	
Connected					
IKON					
	Subtotals B&W		177,854	\$709.64	
	Subtotals Color		0	\$0.00	

Date of Last Upgrade: 8/2/2010

<i>Make-Model / Speed</i>					
<i>Serial Number / Vendor ID</i>					
<i>Life / Intro Date</i>					
<i>Connectivity / Printer Exp Date</i>					
<i>Vendor</i>	<i>7/1/2012 Meter</i>	<i>6/30/2013 Meter</i>	<i>2012-13 Annual Volume</i>	<i>Cost/Copy Annual Cost</i>	<i>Recommendation</i>
Derry Waste Water					
Super's Office					
Ricoh 3025 25 CPM	83,163	98,183	15,020	\$0.004300	8 years from Intro.
K8565104176 / 11628235				\$64.59	
500,000 / 10/2005	0	0	0	\$0.00000	
Black Photocopier				\$0.00	
Connected					
IKON					
	Subtotals B&W		15,020	\$64.59	
	Subtotals Color		0	\$0.00	
Town Wide Black Totals			1,048,912	\$4,304.28	
Town Wide Color Totals			48,531	\$2,477.99	

*Understanding the past can help you to
plan the Future!*

Recent Upgrade Comparison

This form reflects the Compare report prepared at your last upgrade.

Five-Year Basis beginning with the 2013/2014 Fiscal Year

Copies-per-Year: 1,205,870

Present vs. Proposed Recommendations as of 5/1/13

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**Two Year**
- 2) Annual Price Ceilings Left... **Two Years**
- 3) High Volume Console Units...**4**
- 4) Units to be Traded...**9**
- 5) Photocopiers...**18**
 Computer Interfaced...**16**
- 6) Network Printers....**1 Color**
- 7) Color Photocopiers Networked ...**6**
 Total number of Units...**19**
- 8) Duplex's...**19**
- 9) Sorter's...**19**
- 10) Finisher's...

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...**3**
- 4) Replaced **6 New**
- 5) Photocopiers...**16**
 Computer Interfaced...**16** with Print &-Or Color Scan with Hard Drive
- 6) Network Printers...**0 Color plus**
- 7) Low Cost Color Photocopiers Networked...**7**
 Total number of Units...**16 CO 3 Due to Internal Upgrade**
- 8) Duplex's... **16**
- 9) Sorter's... 16**
- 10) Finisher's...**12**

Overall Description of Equipment Fleet:

Presently, you have a couple of Sharp units that came in on a Non-Cancellable lease with a separate service & supply contract that is NOT on a blanket service and supply agreement. We will need to allow the Non-Cancellable lease to mature but the service and supply contract can be renegotiated down. What this means is that they are billing you for prints regardless of whether or not you are doing them. As a result, your cost on the service contract has mushroomed up. We will be able to renegotiate your cost down.

Capital:

Presently, you have one municipal lease that will be paid off. With the new arrangement, you will again have one 'municipal' master lease at **2.39%** interest. Your first of **Four** annual lease payments will be due on **August 1st 2014**. 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 **\$0.006394 for black and \$0.083436 for Color**. The new contract will come in at a CPC of **\$0.004134 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 **United Business Machines (Sharp)**.

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1.Service & Supplies Color Photo only	\$6,651.05	\$3,981.71
2.Service & Supplies Black Photo only	\$7,232.32	\$4,675.92
3.Annual Muni Lease	\$20,391.16	\$23,059.48 ...1 st Payment due 8/1/2014
4.Forced Upgrade	<u>\$10,300.00</u>	<u>\$00.00</u>
Totals	\$44,574.52	\$31,717.12
Annual Cost Savings		\$12,857.41
Five Year Cost Savings		\$64,287.03

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 2014**. 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 and adding overwrite software has been included in the package.

SPC Service & Supply Cost Savings

These tables compare your equipment cost per copy for service and supplies (black prints or copies only) before becoming an SPC client on 5/1/2006 with your projected cost per copy for the new fiscal year through SPC. Annual Volume represents actual 2012-13 fiscal year black print usage. The second table represents your annual and five-year cost savings compared to your previous cost per copy rate.

BEFORE SPC

Current Annual Volume	Average Prior CPC	Average Annual Charges
1,048,912	\$0.01506	\$15,796.62

CURRENTLY WITH SPC

Current Annual Volume	Current CPC (new year)	Average Annual Charges	Average Annual Cost Savings	Average 5-Year Cost Savings
1,048,912	\$0.00414	\$4,342.50	\$11,454.12	\$57,270.60

***Today the Cooperative Buying of SPC has netted annual cost savings,
on average, of \$11,454.12 x 7 years as a Client
= \$80,178.84 Cost Savings!***

Projected Equipment Costs by Building - Black

This table represents projected expenses for BLACK prints or copies by building based on recent activity. Approximate current paper case costs and averaged current annual lease payment are figured in to provide budget information for the upcoming fiscal year.

<i>Building</i>	<i>2013-14 Projected Black Volume</i>	<i>2013-14 Projected Black Usage Cost</i>	<i>Approx. Paper Cost 24.81/Case</i>	<i>Average Annual Equipment Cost</i>	<i>Total Projected Black Usage Cost</i>
Derry Fire	89,975	\$362.60	\$446.46	\$1,268.70	\$2,077.75
Derry Library	93,534	\$381.16	\$464.12	\$1,318.88	\$2,164.16
Derry Municipal Center	403,999	\$1,660.34	\$2,004.64	\$5,696.62	\$9,361.60
Derry Parks & Recreation	15,056	\$65.34	\$74.71	\$212.30	\$352.35
Derry Police	253,474	\$1,094.86	\$1,257.74	\$3,574.13	\$5,926.73
Derry Public Works	177,854	\$716.75	\$882.51	\$2,507.84	\$4,107.10
Derry Waste Water	15,020	\$65.19	\$74.53	\$211.79	\$351.51
<i>Totals</i>	<i>1,048,912</i>	<i>\$4,346.23</i>	<i>\$5,204.70</i>	<i>\$14,790.26</i>	<i>\$24,341.20</i>

SPC Equipment Bids:

Presently our Bids are coming in at **12.5% to 22% of Retail** while the current **Salesman's Cost is 50% of Retail**. Example: Currently our bids for a Xerox 5890PT RADF Duplex Finisher 3-Hole Punch CIF-Print-Color Scan-Hard Drive for Secure Print-Fax 90 Copies per Minute are coming in at **\$6,142 with a Retail Cost of \$49,040....12.5% of Retail!**

Service & Supply Usage Profile by Vendor - Black

This table represents actual expenses for BLACK prints or copies by vendor for the current year along with projected service & supply expenses for the upcoming fiscal year. Under SPC's **new Simplified Billing Program**, SPC will invoice you directly for 50% of the Projected Annual Volume in July and January, and then reconcile based on actual usage in June. Cost per copy typically increases by 5% or CPI annually, whichever is less. **Current year's increase is 1.1%.**

<i>Vendor</i>	<i>Equipment Type</i>	<i>2012-13 Annual Volume</i>	<i>2012-13 Cost Per Copy</i>	<i>2012-13 Total Cost</i>	<i>2013-14 Cost Per Copy</i>	<i>2013-14 Projected Cost</i>
Ricoh USA	Color Photocopier	15,851	\$0.00430	\$68.16	\$0.00434	\$68.79
Ricoh USA	Color Photocopier	64,304	\$0.00399	\$256.57	\$0.00403	\$259.15
Ricoh USA	Color Network Printer	4,427	\$0.00430	\$19.04	\$0.00434	\$19.21
Ricoh USA	Black Photocopier	363,971	\$0.00430	\$1,565.08	\$0.00434	\$1,579.63
Ricoh USA	Black Photocopier	600,359	\$0.00399	\$2,395.43	\$0.00403	\$2,419.45
Vary Technologies	Color Photocopier	0	\$0.00501	\$0.00	\$0.00506	\$0.00
<i>Totals and Averages</i>		<i>1,048,912</i>	<i>\$0.00410</i>	<i>\$4,304.28</i>	<i>\$0.00414</i>	<i>\$4,346.23</i>

Projected Equipment Costs by Building - Color

This table represents projected expenses for COLOR prints or copies by building based on recent activity. Approximate current paper costs are figured in to provide budget information for the upcoming fiscal year. Annual Equipment Lease payment is not calculated with color usage.

Building	Projected Volume	Service & Supply Cost
Derry Fire	17,016	\$877.52
Derry Library	0	\$0.00
Derry Municipal Center	13,903	\$716.98
Derry Parks & Recreation	0	\$0.00
Derry Police	17,612	\$908.25
Derry Public Works	0	\$0.00
Derry Waste Water	0	\$0.00
<i>Totals</i>	<i>48,531</i>	<i>\$2,502.74</i>

Service & Supply Usage Profile by Vendor - Color

This table represents actual and projected expenses for COLOR prints or copies by vendor for the current and next fiscal year. Under SPC's **new Simplified Billing Program**, SPC will invoice you directly for 50% of the Projected Annual Volume in July and January, and then reconcile based on actual usage in June. Cost per copy typically increases by 5% or CPI annually, whichever is less. **Current year's increase is 1.1%.**

<i>Vendor</i>	<i>Equipment Type</i>	<i>2012-13 Annual</i>	<i>2012-13 Cost Per Copy</i>	<i>2012-13 Actual Cost</i>	<i>2013-14 Cost Per Copy</i>	<i>2013-14 Projected Cost</i>
Ricoh USA	Color Photocopier	41,565	\$0.05106	\$2,122.31	\$0.05157	\$2,143.51
Ricoh USA	Color Network Printer	6,966	\$0.05106	\$355.68	\$0.05157	\$359.24
SPC/Synnex	Color Photocopier	0	\$0.08970	\$0.00	\$0.09060	\$0.00
<i>Totals and Averages</i>		<i>48,531</i>	<i>\$0.05106</i>	<i>\$2,477.99</i>	<i>\$0.05157</i>	<i>\$2,502.74</i>

Reprographic Equipment Assessment

This chart provides the status of your equipment and details of your current lease, if any. *

Total # of Units	18
# of Units on Lease	8
# of Units Owned	10
Lease Company	Northway Bank
Lease Start Date	8/2/2010
Lease End Date	8/1/2014
Term	4 Annual
Annual Payment usually due on 8/1	\$14,790.26
Remaining Payments	1

**The determination on the lease has no bearing on Service & Supply and Warranty Contracts.*

Leased Equipment

Building	Make	Model	Serial #
Derry Fire	Ricoh	MPC2050	V2205700079
Derry Fire	Ricoh	MP5000B	M5605600036
Derry Library	Ricoh	MP5000B	M5605700041
Derry Municipal Center	Ricoh	MP3351	V8305800935
Derry Municipal Center	Ricoh	MP5000B	M5605700040
Derry Municipal Center	Ricoh	MP5000B	M5605700034
Derry Police	Ricoh	MPC3300	V1505700265
Derry Public Works	Ricoh	MP7001	V7005700102

Owned Equipment

Building	Make	Model	Serial #
Derry Library	Ricoh	2020D	K8366443404
Derry Library	Ricoh	2020D	K8366442190
Derry Municipal Center	Ricoh	2051	K4465200376
Derry Municipal Center	Ricoh	CL7200	Q3760300010
Derry Municipal Center	Ricoh	MPC3000	L3775700551
Derry Parks & Recreation	Storage	Ricoh 3045	K9465300108
Derry Parks & Recreation	Storage	Xerox C2424	VVK019998
Derry Police	Ricoh	2051	K4465100161
Derry Police	Ricoh	MP6000	M9285301016
Derry Waste Water	Ricoh	3025	K8565104176

NOTE: With your next upgrade, your current Leased Equipment would be listed as Owned, and any new equipment would be listed as Leased. Your current Owned Equipment would be traded out.

Improved SPC Services

2012-2013 Simplified Billing Implemented

In January 2013, SPC developed the Simplified Billing Program, designed to streamline the invoicing process and further help to eliminate billing errors. Some of its features include:

TWO Pre-Billing invoices annually from ONE billing source. Benefits...

- One half of your projected annual volume is billed twice per year: July and January.
- No need to review pages and pages of confusing invoices from multiple vendors, whose systems produce a variety of invoicing formats.

Eliminate confusing variety of invoices from multiple vendors that come annually and/or quarterly. Benefit...

- Different vendors utilize different invoicing programs, producing a wide variety of lengthy and often confusing invoices; you receive each invoice directly from SPC, in one, easy to read format.
- Accompanying spreadsheets break out the totals owed for pre-billing or reconciliation by building or cost center to allow you to allocate costs to specific locations.

Standardized billing to eliminate chasing meter reads during the year. Benefits...

- Staff no longer need to collect color or low-end printer meter reads on a quarterly basis.
- Billing is based on previous year's actual usage.
- Most meter reads can now be captured electronically, with only a small handful of printers needing a manual meter reading, thus saving valuable staff time at the end of the fiscal year.

SPC's managed spreadsheet includes all copy and printing devices within your organization for all locations and all vendors. Benefits...

- Spreadsheets associated with each invoice show the itemized equipment in each location, the projected volume, and the semi-annual pre-billing or reconciliation.
- Again, one simplified invoice for all equipment and one billing source rather than multiple varied invoices from several billing sources.

SPC's Newest Service

SPC STAR Doc

Throughout the 2012-13 year, SPC designed, developed, and implemented a new online program that allows our clients to effectively manage all of their reprographic assets.



STAR Doc: System for Tracking and Reporting Documents. Benefits...

- Detailed floor maps identifying each copier and printer within your fleet, including make, model, serial number, meter read, building, and department.
- Online, real-time information daily.
- Allows you to project your usage in comparison with your budget to determine if you are on target or if you need to make some adjustments.
- Allows you to identify problem areas and address them immediately, before your annual billing invoice.
- All your SPC-related documents stored in one location: Five-Year Equipment Replacement Schedule, Compare Report, Total Bid Analysis, Annual Report.

At SPC we are always striving to improve our services and optimize our clients' resources. We are proud to be able to offer our clients all the benefits of the new **STAR Doc** system.

*SPC STARDoc Current User Names**

Name	User Name
Nancy Bulens	nbulens
Doug Rathburn	drathburn

*If you need to verify your password or if you need to add users please contact Alex Webster at awebster@spccopypro.com

SPC's Service & Supply Contract – Purpose & Sample

In an effort to serve our clients better, at our own expense, SPC hired Bond Counsel to set up your Service & Supply Contract to ensure accuracy and protection to our Clients. Integrated into and tailored to mirror the Lease-Purchase Agreement, this contract protects equipment held as collateral under the Lease-Purchase Agreement or for equipment already owned and purchased outright.

Please note that this contract provides you with the option to upgrade your service contract with a 30-day termination notice. This provides you tremendous flexibility.

: **SERVICE AND SUPPLY CONTRACT**

The Vendor identified below of the equipment described at Exhibit A to Property Schedule No. 1 (the "Equipment") to a Master Lease-Purchase Agreement between M.S.T. Government Leasing, LLC, as lessor (the "Lessor") and Derry, Town of, as lessee (the "Lessee"), commencing on August 2, 2010, (the "Lease-Purchase") hereby contracts with Lessee for the term of the Lease-Purchase (terminating on June 30, 2016) to provide comprehensive services, supplies, and maintenance to such Equipment, excluding only the cost of paper, transparencies, and staples, at a cost per copy per item of Equipment as shown on Schedule A attached hereto. In addition, for high-speed duplicators, Vendor may charge the cost shown on Schedule A attached hereto for masters used when the number of copies made by use of such masters is, on an annual average, fewer than 100. Vendor shall provide a four-hour response time to all service calls.

On July 1 of each calendar year during the term of the Lease-Purchase, Vendor, at its option, may increase such costs per copy under this Service and Supply Contract (the "Contract") by 5% or by a percentage equal to the increase during the immediately preceding 12-month period of "The Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84 = 100," whichever is less.

On July 1 of each calendar year during the term of the Lease-Purchase, Vendor shall credit to Lessee any cost of this Contract prepaid by Lessee and unused by Lessee because fewer copies were made by Lessee during the Contract period ending on such July 1 than were originally estimated under this Contract to be made by Lessee during such period. If the Lease-Purchase is terminated prior to the end of its term, Vendor shall prorate and return to Lessee, within 30 days of such termination, any cost of this Contract prepaid by Lessee and unused by Lessee because of such early termination of the Lease-Purchase.

Client Acknowledgement of Vendor Commitment

Vendor:	<u>Ricoh USA</u>	Lessee:	<u>Derry, Town of</u>
Street Address:	<u>400 Southborough Drive</u>	Street Address:	<u>14 Manning Street</u>
City/State/Zip:	<u>South Portland, ME 04106</u>	City/State/Zip:	<u>Derry, NH 03038</u>
By (signature):	<u></u>	By (signature):	<u></u>
Name:	<u>Chris Hanson</u>	Name:	<u></u>
Title:	<u>District Sales Manager</u>	Title:	<u></u>

SPC's Dual-Layered Warranty – Purpose & Explanation

Reprographic equipment is expensive and does not hold its value. Therefore, it is crucial for you and the banking industry holding the collateral to secure this asset.

Our unique Dual-Layered Warranty guarantees a like-for-like no-charge replacement unit in the event of equipment not performing satisfactorily.

1. **Servicing Vendor**; implemented in 1988
2. **ESP Electrical**; implemented in 2007, all photocopiers with such units will be warranted from electrical damage by ESP.

ESPs (Electronic Surge Protectors) with our most recent upgrades are being installed by SPC on 40 CPM units and faster in order to cut down on approximately 30% of all service calls. These units will not only protect from electrical surges but will also filter out electronic noise that creates havoc with boards and the operation of your equipment.

WARRANTY

(LEASED EQUIPMENT)

The Vendor identified below of the equipment described at Exhibit A to Property Schedule No. 1 (the "Equipment") to a Master lease-Purchase Agreement between M.S.T. Government Leasing, LLC, as lessor (the "Lessor") and Derry, Town of, as lessee (the "Lessee"), commencing on August 2, 2010, (the "Lease-Purchase") hereby warrants to Lessee that, if any such Equipment malfunctions through no fault of Lessee during the term of the Lease-Purchase (terminating on June 30, 2016) and such Equipment cannot be repaired promptly, Vendor promptly will replace such Equipment with equipment which is equal to or superior in quality and capabilities to the Equipment being replaced, at no cost to Lessee.

The only exclusions to this Warranty are as follows:

1. This Warranty will expire for an item of Equipment when the life expectancy of such item of Equipment in number of copies, as shown on Schedule A(P) attached hereto, is exceeded;
2. This Warranty will expire for an item of Equipment at the date which is ten years after such Equipment was first offered for sale or lease by the manufacturer as shown on Schedule A(P) attached hereto.

Vendor:	<u>Ricoh USA</u>
Street Address:	<u>400 Southborough Drive</u>
City/State/Zip:	<u>South Portland, ME 04106</u>
By (signature):	<u></u>
Name:	<u>Chris Hanson</u>
Title:	<u>District Sales Manager</u>