



***Specialized Purchasing Consultants***

PO Box 190

Gorham, NH 03581

(800) 750-1538

[www.spccopypro.com](http://www.spccopypro.com)

**2013-14 Annual Report**  
**Year - End Photocopier Analysis**

**With projected costs for 2014-15**

..... Vko 'Dcdeqem  
Milford School Department  
13 School Street  
Milford, ME 04461



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

September 2014

Skip Tilton  
President

Corporate Office:  
PO Box 190  
Gorham, NH 03581  
(800) 750-1538  
(866) 281-7596 Fax

Vlo 'Dcdeqem  
Milford School Department  
13 School Street  
Milford, ME 04461

Dear Vlo :

VISIT US ON THE WEB:  
[www.spccopypro.com](http://www.spccopypro.com)

Our staff at SPC would like to extend their gratitude for allowing us to provide beneficial services to you and your organization for the past *20 years*. Over the last two years, SPC has made major improvements to your services without increasing our cost to you. We hope you have experienced and enjoyed the benefits.

Since our inception in 1988, we have always strived to maximize your savings while improving productivity and reliability. As a major part of our services, **SPC STAR Doc.** \* which was designed to predict both your year-end cost as well as set up your next year's budget as soon as January 1st, is fully functional. New features include...

- Mapped devices show a before and after Upgrade floor plan
- Devices not reporting are now factored into your budget so that you have a more accurate forecast
- Non-contracted devices are now flagged with potential cost savings

\*Feel free to ask for a more detailed explanation

New to this year's Annual Report is a section for warranty replacements and equipment complaints that have taken place during the previous year. This will flag problem locations that may or may not need to be eventually upgraded. As always, the overview of your equipment usage and status for the past fiscal year is included. Recommendations are provided to address potential problem areas to avoid needless down time and improve equipment reliability for years to come.

Thank you again for allowing SPC the opportunity to be of service. We look forward to our personal presentation of this year's annual report.

Sincerely,

Skip Tilton  
President

***Table of Contents***

---

The SPC Team	3
Equipment Health Status	5
Aging Equipment Summary	6
Annual Black Volume By Building	7
Annual Black Volume Overall	8
Avg Student Cost by Building Black	9
Cost Comparison Black Only	10
Annual Color Volume By Building	11
Annual Color Volume Overall	12
Color Comparison	13
Avg Student Cost by Building Color	14
Cost Comparison – Color Only	15
Usage Profile for Service & Supplies	16
SPC Service & Supply Cost Savings	21
Projected Equipment Cost by Building Black	22
Projected Equipment Cost by Building Color	23
Service & Supply Usage Profile by Vendor Black	24
Service & Supply Usage Profile by Vendor Color	25
Reprographic Equipment Assessment	26
Leased Equipment	27
Owned Equipment rpt	28
Service & Supply Warranty Contract	29
VALUE ADD Documents - Client	32

## *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

<b>Total Number of Machines:</b>	<b>11</b>
<b>Total Black Photocopiers</b>	<b>5</b>
<b>Total Color Photocopiers (including MFP)</b>	<b>1</b>
<b>Total Black Network Printers</b>	<b>1</b>
<b>Total Color Network Printers</b>	<b>4</b>
<b>Total Removed from Service:</b>	<b>0</b>
<b># of Units OFF Warranty:</b>	<b>0</b>
<b># of Units Approaching End of Warranty:</b>	<b>4</b>
<b># of Units Overused:</b>	<b>0</b>
<b># of Units Underused:</b>	<b>0</b>
<b># of Units Connected to Network with Print and/or Scan</b>	<b>8</b>
<b>Commencement Date:</b>	<b>2/1/2011</b>
<b># of Annual Payments Left on Lease</b>	<b>2</b>
<b>All Warranties and Service Contracts Expire:</b>	<b>6/30/2016</b>
<b>SPC's FM Audit Print Management Software Loaded</b>	<b>Yes</b>
<b>Printer Contract Signed</b>	<b>No</b>

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 Tim,

As mentioned in our opening letter we have been doing business with your school for 20 years and have seen several personnel come and go. Each time we did an upgrade we managed to build a measure of trust with the decision makers as well as board members. The last lease which I have confirmed is now paid off was approved by your board.

It is unfortunate that the upgrade took place as it did, but if you would like to continue our services we will extend. We officially never received a 30 day notice of termination. If you decide to go with 100% A-copi then I will need to get that letter.

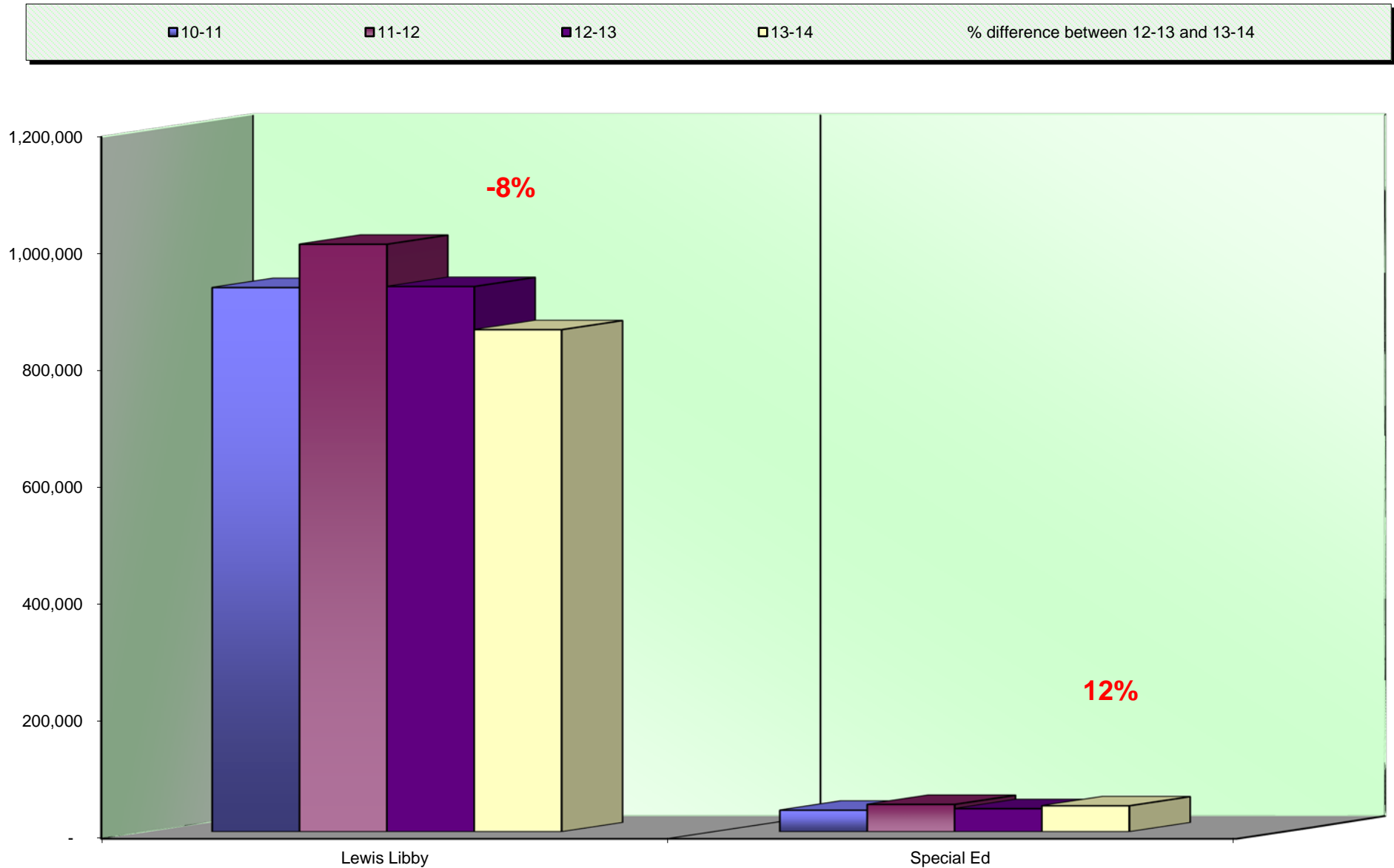
Skip

## 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 Introduction. Usage, age, and service history need to be considered to see if they are due for replacement soon.

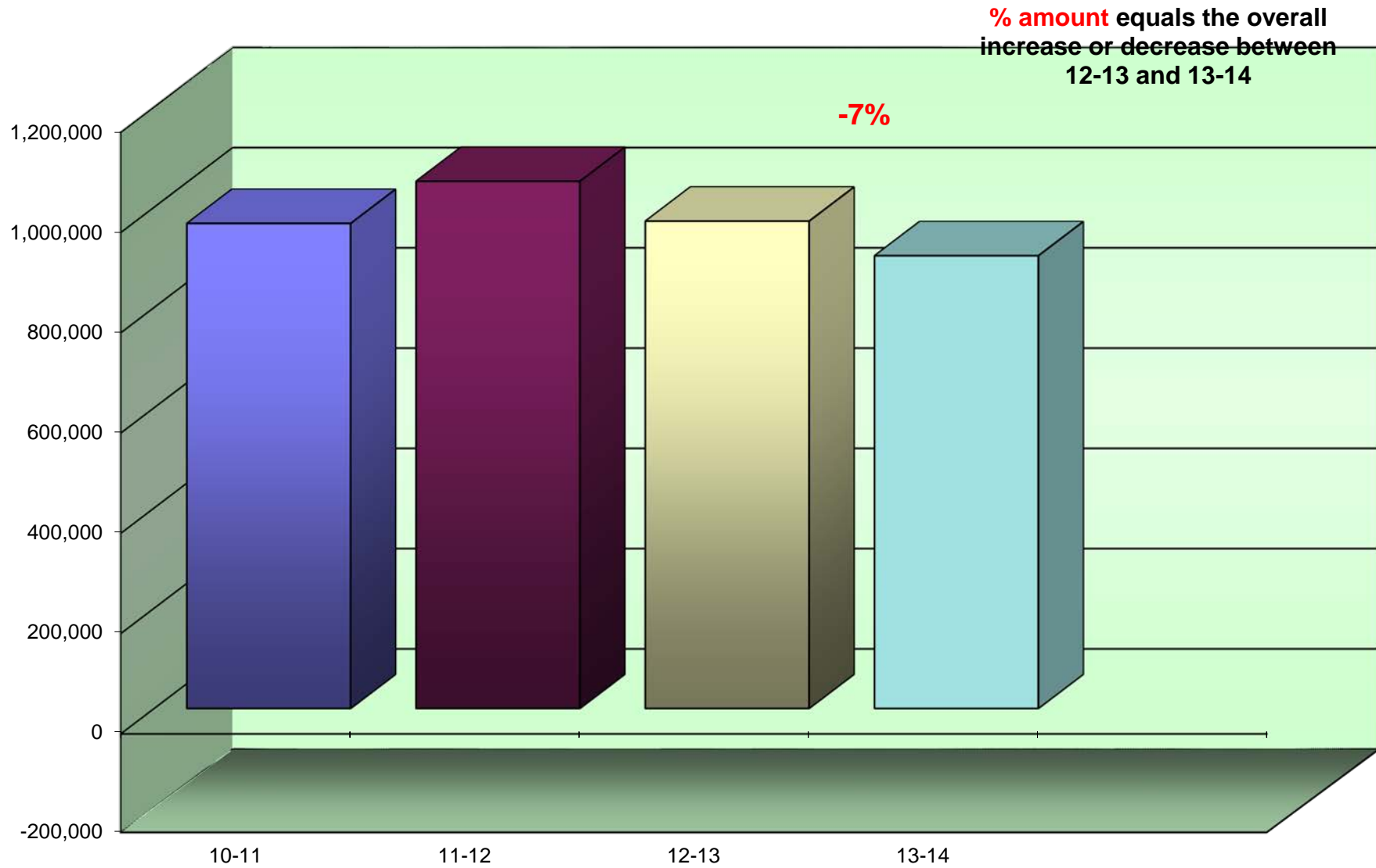
Building	Department	Make / Model	Serial Number	Vendor Name	Intro Date
Lewis Libby School	Main Office	Xerox 8860DN	HBB403817	VARY	09/2007
Lewis Libby School	STORAGE	Xerox 8560DN	FBT163021	SPC	02/2007
Milford District Office	Main Office	Toshiba e-Studio 452	CID729582	A-COPI	01/2006
Milford District Office	STORAGE	Xerox 8560MFP	CXF331308	SPC	02/2007

# ANNUAL BLACK VOLUME BY BUILDING





# ANNUAL BLACK VOLUME BY DISTRICT



## Average Student to Copy Usage – Black Only

Using the projected costs by building as the basis, this table represents the projected average usage and cost per student for each building.

<i>Building Name</i>	<i>Student Population</i>	<i>Annual Volume</i>	<i>Total School Cost*</i>	<i>Annual Copies Per Student</i>	<i>Annual Cost Per Student</i>
Lewis Libby School	330	858,609	\$19,702.06	2,602	\$59.70
Milford District Office	0	44,481	\$1,069.53	0	\$0.00
<b><i>Totals</i></b>	<b>330</b>	<b>903,090</b>	<b>\$20,771.59</b>	<b>2,737</b>	<b>\$62.94</b>

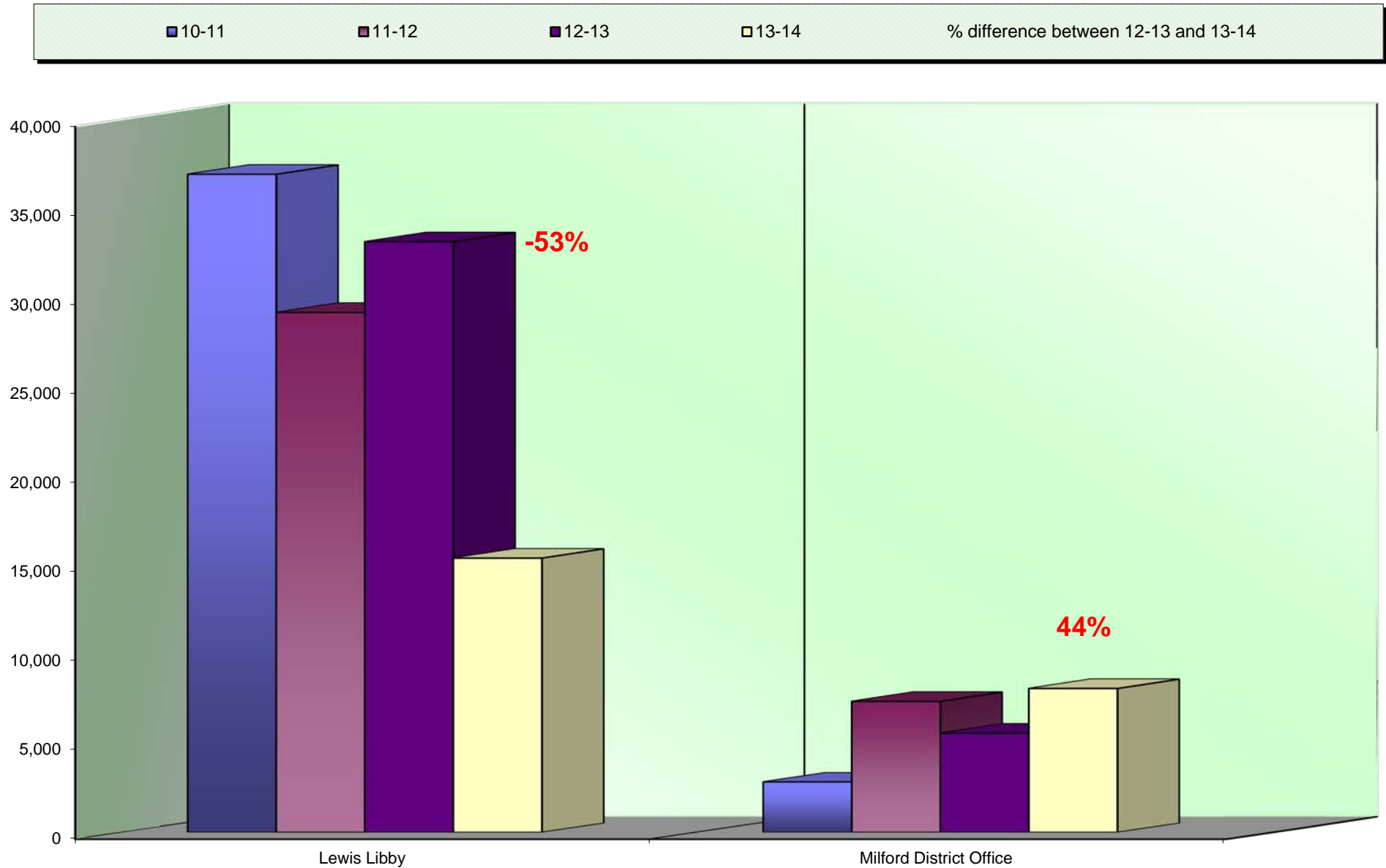
## Cost Comparison *Black Only*

This is an SPC Comparison contrasting your district with 67 client school districts throughout the states of Maine, New Hampshire, and Vermont. By comparing to the Average Student to Copy Usage, this will help you to set up future budgets if student populations increase or decrease within the district or if you plan to build an addition or a new school.

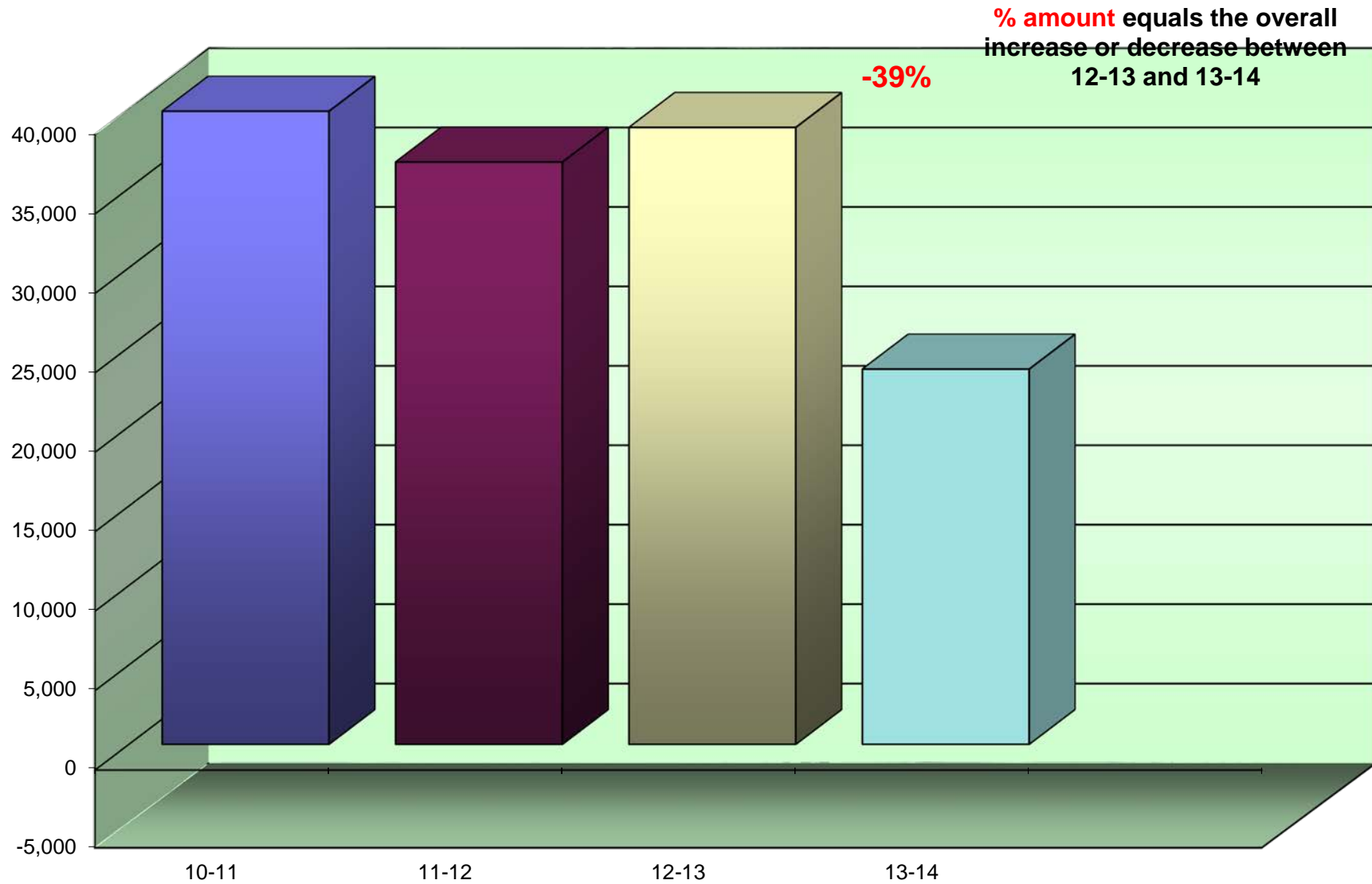
	<i>Total Student Population</i>	<i>Total Annual Volume</i>	<i>Total District Cost*</i>	<i>Annual Copies Per Student</i>	<i>Annual Cost Per Student</i>
<b>All Schools w/student populations</b>	<b>114,558</b>	<b>228,223,654</b>	<b>\$5,292,743.97</b>	<b>2,516</b>	<b>\$46.20</b>

*\*Total District Cost refers to the cost of Service, Supplies, Paper, and Equipment.*

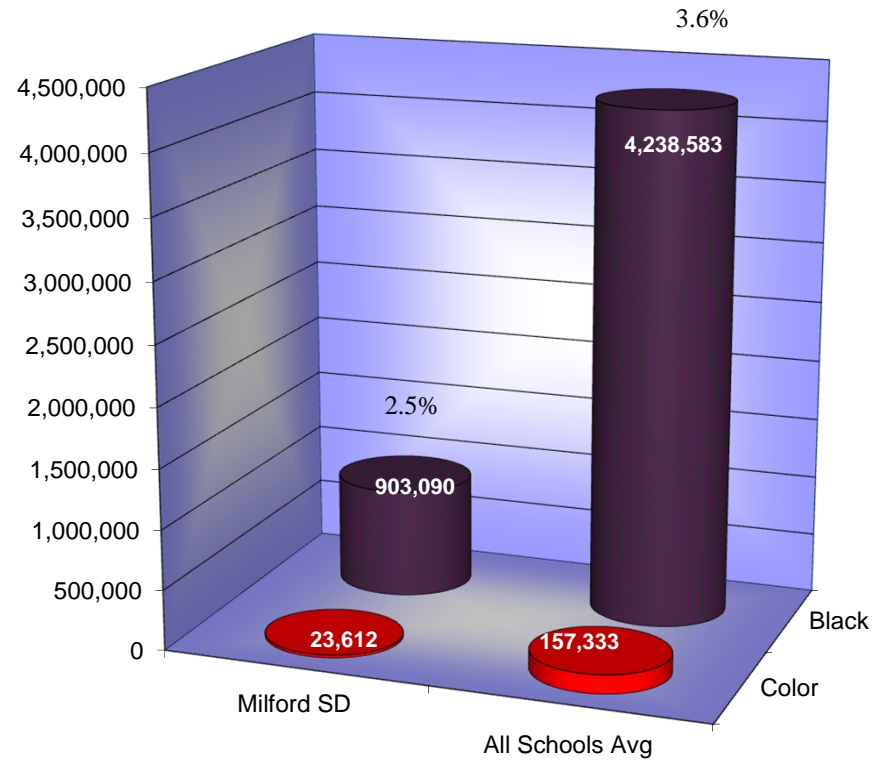
# ANNUAL COLOR VOLUME BY BUILDING



# ANNUAL COLOR VOLUME BY DISTRICT



Color to Total Volume Percentage



## Average Student to Copy Usage – Color Only

Using the projected costs by building as the basis, this table represents the projected average usage and cost per student for each building.

<i>Building Name</i>	<i>Student Population</i>	<i>Annual Volume</i>	<i>Total School Cost*</i>	<i>Annual Copies Per Student</i>	<i>Annual Cost Per Student</i>
Lewis Libby School	330	15,455	\$1,180.22	47	\$3.58
Milford District Office	0	8,157	\$753.79	0	\$0.00
<b><i>Totals</i></b>	<b>330</b>	<b>23,612</b>	<b>\$1,934.01</b>	<b>72</b>	<b>\$5.86</b>

*Cost Comparison – Color Only*

This is an SPC Comparison contrasting your district with 67 client school districts throughout the states of Maine, New Hampshire, and Vermont. By comparing to the Average Student to Copy Usage, this will help you to set up future budgets if student populations increase or decrease within the district or if you plan to build an addition or a new school.

	<i>Total Student Population</i>	<i>Total Annual Volume</i>	<i>Total District Cost*</i>	<i>Annual Copies Per Student</i>	<i>Annual Cost Per Student</i>
<b>All Schools w/student populations</b>	<b>114,558</b>	<b>10,541,331</b>	<b>\$617,517.66</b>	<b>92</b>	<b>\$5.39</b>

*\*Total District Cost refers to the cost of Service, Supplies and Paper. Equipment is calculated only into the Black Volume.*



## *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.

Make-Model / Speed				Date of Last Upgrade: 2/1/2011	
Serial Number / Vendor ID					
Life / Intro Date					
Connectivity / Printer Exp Date					
Vendor	7/1/2013 Meter	6/30/2014 Meter	2013-14 Annual Volume	Cost/Copy Annual Cost	Recommendations
Lewis Libby School					
5th Grade Hall					
Toshiba e-Studio 655 / 65 PPM	655,802	856,943	201,141	\$0.004030	None at this time.
CCL015503 / 2138				\$810.60	
3,000,000 / 02/2011	0	0	0	\$0.00000	
Black Photocopier				\$0.00	
Connected / 6/1/2016					
A-COPI					
Computer Lab					
HP Color LaserJet M451dn / 21 PPM	0	7,722	7,722	\$0.010000	None at this time.
CNDF328210 /				\$77.22	
500,000 / 02/2012	0	9,034	9,034	\$0.09060	
Color Network Printer				\$818.48	
Connected /					
BUDGET					

Make-Model / Speed Serial Number / Vendor ID Life / Intro Date Connectivity / Printer Exp Date					Date of Last Upgrade: 2/1/2011
Vendor	7/1/2013 Meter	6/30/2014 Meter	2013-14 Annual Volume	Cost/Copy Annual Cost	Recommendations
Lewis Libby School					
K-2 Wing					
Toshiba e-Studio 655 / 65 PPM	799,254	1,098,786	299,532	\$0.004030	None at this time.
CCL015511 / 2139				\$1,207.11	
3,000,000 / 02/2011	0	0	0	\$0.00000	
Black Photocopier				\$0.00	
Connected / 6/1/2016					
A-COPI					
Library					
Lexmark T650dn / 45 PPM	15,242	28,070	12,828	\$0.005060	None at this time.
S794MFP9 / 2148				\$64.91	
1,000,000 / 10/2008	0	0	0	\$0.00000	
Black Network Printer				\$0.00	
Connected / 6/1/2016					
A-COPI					
Main Office					
Xerox 8860DN / 30 PPM	23,273	30,951	7,678	\$0.005060	7 years from Intro.
HBB403817 /				\$38.85	
750,000 / 09/2007	22,664	29,085	6,421	\$0.05274	
Color Network Printer				\$338.64	
Connected / 6/1/2016					
VARY					

Make-Model / Speed Serial Number / Vendor ID Life / Intro Date Connectivity / Printer Exp Date Vendor					Date of Last Upgrade: 2/1/2011	
	7/1/2013 Meter	6/30/2014 Meter	2013-14 Annual Volume	Cost/Copy Annual Cost	Recommendations	
Lewis Libby School						
Principal's Office						
Toshiba E-523T / 52 PPM	728,205	842,319	114,114	\$0.004030	None at this time.	
CZB828357 / 0144				\$459.88		
3,000,000 / 01/2008	0	0	0	\$0.00000		
Black Photocopier				\$0.00		
Connected / 6/1/2016						
A-COPI						
STORAGE						
Xerox 8560DN / 30 PPM	45,938	45,938	0	\$0.005060	7 years from Intro.	
FBT163021 / SPC				\$0.00		
750,000 / 02/2007	78,298	78,298	0	\$0.09060		
Color Network Printer				\$0.00		
Not Connected / 6/1/2016						
SPC						
Upstairs Hall						
Toshiba e-Studio 655 / 65 PPM	406,531	622,125	215,594	\$0.004030	None at this time.	
CCL115586 / 2140				\$868.84		
3,000,000 / 02/2011	0	0	0	\$0.00000		
Black Photocopier				\$0.00		
Not Connected / 6/1/2016						
A-COPI						
Subtotals BW			858,609	\$3,527.42		
Subtotals Color			15,455	\$1,157.12		

<i>Make-Model / Speed Serial Number / Vendor ID Life / Intro Date Connectivity / Printer Exp Date Vendor</i>					<i>Date of Last Upgrade: 2/1/2011</i>
	<i>7/1/2013 Meter</i>	<i>6/30/2014 Meter</i>	<i>2013-14 Annual Volume</i>	<i>Cost/Copy Annual Cost</i>	<i>Recommendations</i>
<b>Milford District Office</b>					
<b>Central Office</b>					
HP Color LaserJet M451dn / 21 PPM	0	7,817	7,817	\$0.010000	None at this time.
CND8FB009V /				\$78.17	
500,000 / 02/2012	0	4,166	4,166	\$0.09060	
Color Network Printer				\$377.44	
Connected /					
<b>BUDGET</b>					
<b>Main Office</b>					
Toshiba e-Studio 452 / 45 PPM	240,818	272,920	32,102	\$0.004030	8 years from Intro.
CID729582 / 1737				\$129.37	
1,000,000 / 01/2006	0	0	0	\$0.00000	
Black Photocopier				\$0.00	
Connected / 6/1/2016					
<b>A-COPI</b>					
<b>STORAGE</b>					
Xerox 8560MFP / 30 PPM	49,315	53,877	4,562	\$0.005060	7 years from Intro.
CXF331308 / SPC				\$23.08	
750,000 / 02/2007	62,293	66,284	3,991	\$0.09060	
Color Photocopier				\$361.58	
Not Connected / 6/1/2016					
<b>SPC</b>					
<b>Subtotals BW</b>			<b>44,481</b>	<b>\$230.62</b>	
<b>Subtotals Color</b>			<b>8,157</b>	<b>\$739.02</b>	

---

<i>District Wide Black Totals</i>	903,090	\$3,758.04
<i>District Wide Color Totals</i>	23,612	\$1,896.15

## 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 3/22/1994 with your projected cost per copy for the new fiscal year through SPC. Annual Volume represents actual 2013-14 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 Volume	PriorCPC	Average Annual Cost
903,090	\$0.01300	\$11,740.17

### CURRENTLY WITH SPC

Current Volume	Current CPC	Current Cost	Cost Savings	5 Year Savings
903,090	\$0.00424	\$3,829.10	\$7,911.07	\$39,555.34

*Today the Cooperative Buying of SPC has netted annual cost savings, on average, of \$7,911.07 x 20 years as a Client  
= \$158,221.37 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.

Building	Projected Black Volume	Projected Black Usage Cost	Approx.Paper Cost	Average Annual Equipment Cost	Total Projected Black Usage Cost
Lewis Libby School	858,609	\$3,597.44	\$4,260.42	\$11,844.20	\$19,702.06
Milford District Office	44,481	\$235.21	\$220.71	\$613.60	\$1,069.53
<b>Total</b>	<b>903,090</b>	<b>\$3,832.65</b>	<b>\$4,481.13</b>	<b>\$12,457.80</b>	<b>\$20,771.59</b>

### SPC Equipment Bids:

Presently our Bids are coming in at 14.5% 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 \$6,333 with a Retail Cost of \$43,495....14.5% of Retail!

*Projected Equipment Costs by Building - Color*

This table represents projected expenses for COLOR prints or copies by building based on recent activity. Current paper case costs and current annual lease payment are NOT figured in to this table, as they are covered in the Black prints report.

Building	Projected Color Volume	Service & Supply Cost
Lewis Libby School	15,455	\$1,180.22
Milford District Office	8,157	\$753.79
<i>Total</i>	<b>23,612</b>	<b>\$1,934.01</b>



## *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 1.2%.**

Vendor	Equipment Type	Annual Volume	2013-2014 Cost / Copy	Total Cost	2014-2015 Cost / Copy	Projected Cost
A-COPI	Black Network Printer	12,828	\$0.00506	\$64.91	\$0.00516	\$66.19
A-COPI	Black Photocopier	862,483	\$0.00403	\$3,475.81	\$0.00411	\$3,544.81
Budget Business Machines	Color Network Printer	15,539	\$0.01000	\$155.39	\$0.01020	\$158.50
SPC Supported	Color Network Printer	0	\$0.00506	\$0.00	\$0.00516	\$0.00
SPC Supported	Color Photocopier	4,562	\$0.00506	\$23.08	\$0.00516	\$23.54
Vary Technologies	Color Network Printer	7,678	\$0.00506	\$38.85	\$0.00516	\$39.62
<b>Total</b>		<b>903,090</b>	<b>\$0.00416</b>	<b>\$3,758.04</b>	<b>\$0.00424</b>	<b>\$3,832.65</b>

**NOTE: Actual Projected Cost is \$3,855.65 as the SPC machine was replaced with a Budget Business Machines printer.**

## *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 1.2%.**

Vendor	Equipment Type	Annual Volume	2013-2014 Cost / Copy	Total Cost	2014-2015 Cost / Copy	Projected Cost
Budget Business Machines	Color Network Printer	13,200	\$0.09060	\$1,195.92	\$0.09241	\$1,219.81
SPC Supported	Color Network Printer	0	\$0.09060	\$0.00	\$0.09241	\$0.00
SPC Supported	Color Photocopier	3,991	\$0.09060	\$361.58	\$0.09241	\$368.81
Vary Technologies	Color Network Printer	6,421	\$0.05274	\$338.64	\$0.05379	\$345.39
<b>Total</b>		<b>23,612</b>	<b>\$0.08030</b>	<b>\$1,896.15</b>	<b>\$0.08191</b>	<b>\$1,934.01</b>

## *Reprographic Equipment Assessment*

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

<b>Total Number of Units</b>	<b>11</b>
<b>Total Number of Units on Lease</b>	<b>5</b>
<b>Total Number of Units Owned</b>	<b>6</b>
<b>Lease Company</b>	<b>Norway Savings Bank</b>
<b>Lease Start Date</b>	<b>2/1/2011</b>
<b>Lease End Date</b>	<b>6/30/2016</b>
<b>Term</b>	<b>5 Annual</b>
<b>Annual Payment usually due on 8/1</b>	<b>\$12,457.80</b>
<b>Remaining Payments</b>	<b>1</b>

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

*Leased Equipment*

Building	Make	Model	Serial Number
Lewis Libby School	Toshiba	e-Studio 655	CCL015511
Lewis Libby School	Toshiba	e-Studio 655	CCL015503
Lewis Libby School	Toshiba	e-Studio 655	CCL115586
Lewis Libby School	Xerox	8860DN	HBB403817
Lewis Libby School	Lexmark	T650dn	S794MFP9

## *Owned Equipment*

Building	Make	Model	Serial Number
Lewis Libby School	Toshiba	E-523T	CZB828357
Lewis Libby School	Xerox	8560DN	FBT163021
Milford District Office	Xerox	8560MFP	CXF331308
Milford District Office	Toshiba	e-Studio 452	CID729582

## : **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 Milford School Department, as lessee (the "Lessee"), commencing on February 1, 2011, (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*

<b>Vendor:</b>	_____	<b>Lessee:</b>	<b>Milford School Department</b>
<b>Street Address:</b>	_____	<b>Street Address:</b>	<b>13 School Street</b>
<b>City/State/Zip:</b>	_____	<b>City/State/Zip:</b>	<b>Milford, ME 04461</b>
<b>By (signature):</b>	_____	<b>By (signature):</b>	_____
<b>Name:</b>	_____	<b>Name:</b>	_____
<b>Title:</b>	_____	<b>Title:</b>	_____

## *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 Milford School Department, as lessee (the "Lessee"), commencing on February 1, 2011, (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:** \_\_\_\_\_  
**Street Address:** \_\_\_\_\_  
**City/State/Zip:** \_\_\_\_\_  
**By (signature):** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_





## Benefits of partnering with SPC

### Top Benefits to **our CLIENTS**:

#### 1. Cooperative Buying

By definition, is a model that allows a group of buyers with a common interest to pool their buying power in order to negotiate more favorable pricing and better service. SPC's model allows you to pick your preferred vendor!

- SPC's pricing is so strong ***we pay for our own fee*** by acquiring prices lower than what you can do on your own.
- We will ***save you money*** benefiting from the combined purchasing power of more than 90 clients with over 3,443 devices doing more than 314 million copies and prints per year. In 2013 we purchased approximately 1,000 printing devices.
- We will ***save you time*** by preparing your bid, negotiating with vendors/manufacturers, presenting a total bid analysis and managing the implementation.
- We will ***save you frustration***. We manage your contracts for up to five years from the date of installation.

#### 2. Exclusive **STAR Doc Software**

- Maps all devices and sets up "Interactive Live Floor Plans" of all printing devices, showing you a Before and After Upgrade look; provides a visual for all decision makers over the next five years.
- STAR Doc studies your printing habits and is able to predict your year-end cost months in advance, before you receive your year-end reconciliation invoice.
- Sets up your next year's budget at the click of a mouse.

#### 3. Simplified Billing Program

- Removes the confusion out of billing.
- Eliminates variety of invoices from multiple vendors that come annually and/or quarterly.
- With SPC's Simplified Billing Program, TWO invoices are sent each year from ONE billing source.
- Reconciles all of your devices at the end of the year: You pay only for what you use; no minimums.

#### 4. Five-Year Equipment Replacement Schedule

- SPC's staff surveys key locations that determine life of existing equipment.
- Specs out new equipment needed: Does not allow vendors to undersize during the bidding process.
- Manages the entire bid process down to the install.

#### 5. Annual Report

- A crucial document that extends the life of your equipment, often getting 8 to 10 years of guaranteed performance! Flags copying trends within your organization such as over usage
- You get an overview of your current equipment situation, reports associated with copying and printing costs and, if needed, recommendations for addressing situations posing a problem

#### 6. Vendor Neutral

- SPC does not recommend just one brand; we suggest what's best for you with serviceability in mind.
- We present you with the bid results and offer recommendations, yet the decision is yours to make.

**SPC has been serving their clients since 1988, saving millions of dollars along the way.**

***Based on current actual volumes and CPCs, SPC has generated***

***Annual Savings of almost \$3.5 million for all of our clients.***

***That translates into Savings of more than \$17.2 million over five years!***



## SPC Values Our Vendors

### Overall Benefits to our VENDORS

- Opportunities brought to you – Hundreds of machines each year: In 2013 there were over a thousand.
- SPC is well respected in the industry
- SPC values our vendors and speaks highly of them to our clients.
- National Contracts that are all negotiated with the manufacturers at your disposal

### Vendor Benefits Pre-Bid & During the Bid Process

- Sharing of previous bid results that help you to negotiate with your manufacturers.
- On-Site Survey of client requirements including mapping all devices.
- Writing of the *Five-Year Equipment Replacement Schedule* (Bid Specs).
- Controls the Bid Specs (Not allowing any vendor to underbid or offer discontinued equipment).
- A chance to sell your 'Value Add' directly to our clients after the bids are in. Customer has the right to pay more than low bid.

### Vendor Benefits Before & During Installation

- Digital Needs Analysis: Matching up the machine to installation site.
- Schedule and coordinate Vendor meeting with Client.
- Cover the cost of ESP surge protectors, electrical wiring, computer interface and any unexpected cost!
- Manage installation.
- Audit installation.
- Capture final meter reads for old contracts.
- Close books on old devices & contracts.

### Vendor Ongoing Support

- Yearly meter reads.
- Simplified Billing: SPC collects service funds for the Vendor.
- Collection of all meter reads annually and reconciling them with the Client and Vendor.
- STAR Doc: **S**ystem for **T**racking **A**nd **R**eporting **D**ocuments...Manages the budget.
- Annual Reports that flag machines that are being overused and underused thus improving reliability.
- Mediating warranty issues in sensitive locations.

### Why do some vendors hesitate to bid?

- Vendors worry that bidding will reduce their margins.
- If word gets out on pricing, they feel that their other customers will call and ask for similar prices.
- Lose control of their account as winning bidder may beat their pricing.
- SPC bids are designed to keep specs equal for all, no chance of providing a lesser piece of equipment.

**SPC manages over 3,700 pieces of equipment;**  
**Our relationship with our vendors has never been *stronger*!**