

MSAD 23
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Five-Year Basis beginning with the 2009/2010 Fiscal Year

Copies-per-Year: 1,641,603

Present vs. Proposed Recommendations as of 5/1/09

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**One Year**
- 2) Annual Price Ceilings Left...**One Year**
- 3) High Volume Console Units...**Four**
- 4) Units to be Traded...**Seven**
- 5) Photocopiers...**Nine**
 - Computer Interfaced...**Two**
- 6) Network Printers....**Five**
- 7) Color Photocopiers Networked ...**One**
- 8) High Speed Duplicator(s)...**Two**
 - Total number of Units...**Seventeen**
- 9) Duplex's...**Fifteen**
- 10) Sorter's...**Fifteen**
- 11) Finisher's...**Eight**

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...**Five**
- 4) Replaced by **Ten** New Units & **Two** Recon Units
- 5) Photocopiers...**Thirteen**
 - Computer Interfaced ..**Eight** with Print &-Or Scan
- 6) Low Operational Cost Network Printers...**Nine**
- 7) Low Cost Color Photocopiers Networked...**Four**
- 8) High Speed Duplicator (s)...**None**
- Total number of Units...**Twenty-Two**
- 9) Duplex's...**Twenty-Two**
- 10) Sorter's...**Twenty-Two**
- 11) Finisher's >> Staple-Sorter &Or 3-Hole Punch...**Seven**

Overall Description of Equipment Fleet:

Presently, you Seven machines that would be traded out or Returned ... for Ten New and Two Recon units... all with Five Year warranties.

Capital:

Presently, you have one municipal lease 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 'municipal' master lease at **3.90%** interest. You will have a down payment of \$17,474.96. Thereafter, your first of five annual lease payment will be due on August 1'st 2009. 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 \$0.07495. Based on SPC's last bidding process your CPC would be \$0.004122 per print for black only. Your present Color Prints are averaging \$0.095970. This will drop to \$0.03836 per print for color.

Vendor Packages:

We would like to highlight the most qualified bid combination, which is **with your current vendors of Ikon and Xerox.**

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>	
1. Service & Supplies Black Photo only	\$8,664.85	\$6,278.88	
2. Service & Supplies Color Photo only	\$6,729.42	\$2,667.81	
3. In House Printing (High Cost Network Printers)	\$3,638.25	\$488.57	
4. Forced Upgrades	\$3,750.00	\$00.00	
5. Annual Muni Lease	<u>\$8,684.61</u>	<u>\$11,511.97</u>	
Totals	\$31,467.12	\$20,947.23	
Annual Cost Savings			\$10,519.89
Five Year Cost Savings			\$52,599.450

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 2010**. 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.