

RSU 87 / MSAD 23
John Backus
44 Plymouth Road
Carmel, Maine 04419
Five-Year Basis beginning with the 2013/2014 Fiscal Year

Copies-per-Year: 2,225,840

Present vs. Proposed Recommendations as of 2/1/13

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**One Year**
- 2) Annual Price Ceilings Left... **One Year**
- 3) High Volume Console Units...**6**
- 4) Units to be Traded &Or Trade Up...**33**
- 5) Photocopiers...**16**
 Computer Interfaced...**11**
- 6) Low End Network Printers.... **16 with 2 Color**
- 7) Color Photocopiers Networked ...**6**
 Total number of Units...**32**
- 8) Duplex's...**27**
- 9) Sorter's...**32**
- 10) Finisher's...**8**

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...**7**
- 4) Replaced **29 New & 3 Recon Units**
- 5) Photocopiers...**15**
 Computer Interfaced...**15** with Print &-Or Color Scan with Hard Drive
- 6) Low End Network Printers...**17 with 3 color**
- 7) Low Cost Color Photocopiers Networked...**7**
 Total number of Units...**32**
- 8) Duplex's... **32**
- 9) Sorter's... **32**
- 10) Finisher's... **8**

Overall Description of Equipment Fleet:

Presently, you have **Four** Different Manufacturers with multiple models. In addition, you have **Three** different service providers (One In-House) servicing your district. This requires multiple drivers and supplies. With the new proposal, you will have one provider taking care of your entire district with just a few drivers and one company for all your supplies.

Capital:

Presently, you have **one** municipal lease which you will pay off with a \$11,500 before July1, 2013. With the new arrangement, you will again have **one** 'municipal' master lease at 2.68% interest. Your first of five annual lease payments will be due on August 1'st 2013. 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 **\$0.005484 for black and \$0.056117 for Color.** The new contract will come in at a CPC of **\$0.004248 for Black and \$0.046344 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 **Budget Business Machines with Konica Minolta.**

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1. Service & Supplies Color Photo only	\$5,664.88	\$4,678.36
2. Service & Supplies Black Photo only	\$11,652.03	\$9,025.76
3. Annual Muni Lease	\$11,511.97	\$14,963.06
4. Forced Upgrade	<u>\$11,600.00</u>	<u>\$00.00</u>
Totals	\$40,428.88	\$28,667.17
Annual Cost Savings		\$11,761.70
Five Year Cost Savings		\$58,808.50

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.