

Nashua School District
Dan Donovan
P.O. Box 687
Nashua, NH 03061
Five-Year Basis beginning with the 2016/2017 Fiscal Year

Copies-per-Year: 30,238,300

Present vs. Proposed Recommendations as of 4/1/2016

PRESENT SITUATION

- 1) Guarantees on Photocopiers...6/30/2016
- 2) Annual Price Ceilings Left... 6/30/2016
- 3) High Volume Console Units...**38**
- 4) Units to be Traded...**120**
- 5) Photocopiers...**72**
- 6) Color Photocopiers Networked ...**13**
- 7) Network Printers....**47 w/ 22 Color**
- Total number of Units...**119**
- 8) Duplex's...**119**
- 9) Sorter's...**119**
- 10) Finisher's...**76**

PROPOSED SITUATION

- 1) Guarantees for both New, Recons & Used Photo's...**63 Months**
- 2) 5% or CPI Annual Ceilings, whichever is less...**63 Months**
- 3) High Volume Console Units with 3 Million plus...**41**
- 4) Replaced **84 New** (Copiers & Printers) with **37 Recon** (Copiers)
- 5) Photocopiers...**75** (#37 New, #37 Recon & #1 Existing)
- 6) Low Cost Color Photocopiers Networked...**23**
- 7) Network Printers...**47** (All New) **w/ 22 Color**
- Total number of Units...**122**
- 8) Duplex's... **122**
- 9) Sorter's... **122**
- 10) Finisher's... **75**

Overall Description of Equipment Fleet:

Presently, you have Two different Manufacturers. **The new arrangement will shift to One manufacturer with just one company servicing everything.** This will reduce cost and improve reliability.

Capital:

Presently, you have one municipal lease that will be paid off on 8-1-2015. With the new arrangement, you will again have one 'municipal' master lease at 2.89% interest. Your first of six annual lease payments will be due on August 1st 2016. 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 \$0.003645 for black and \$0.05366 for Color. The new contract will come in at a CPC of \$0.00329 for Black and \$0.05095 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 **KMBS (Current Vendor) with Konica Minolta for Copiers & Printers**.

<u>Cost Center</u>	<u>Present</u>	<u>Proposed*</u>
1. Service & Supplies Color Photo only	\$38,506.07	\$36,560.85
2. Service & Supplies Black Photo only	\$107,610.40	\$97,018.15
3. Annual Muni Lease (5 Annual Payments)	\$81,285.98	\$97,343.61*
4. Forced Upgrade (Older Units not on Lease)	<u>\$41,450.00</u>	<u>\$00.00</u>
Totals	\$268,852.45	\$230,922.61

Annual Cost Savings **\$37,929.84**

***Although the Annual lease goes up by \$16,057.63, the service & supply cost savings nearly offsets the increase (\$12,537.47). In addition, the older units under forced upgrades have all been upgraded.**

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 twice a year in July & January with a reconciliation invoice in June. Your service contract will be fixed through **June 30th 2017**. 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 old data on trade out units has been included in the package.