

NHSAU 42
Daniel Donovan
141 Ledge Street
Nashua, NH 03060
Five-Year Basis beginning with the 2011/2012 Fiscal Year

Copies-per-Year: 28,758,478

Present vs. Proposed Recommendations as of 9/01/2011

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**None**
- 2) Annual Price Ceilings Left...**None**
- 3) High Volume Console Units...**Fourteen**
- 4) Units to be Traded...**One Hundred & Forty-Seven**
- 5) Photocopiers...**Sixty**
 Computer Interfaced...**Two**
- 6) Network Printers....**282 with 29 Color**
- 7) Color Photocopiers Networked ...**None**
- 8) High Speed Duplicator(s)...**Twenty-Seven**

Total number of Units...**Three Hundred & Sixty-Nine**

- 9) Duplex's...**Fifty-Eight**
- 10) Sorter's...**Fifty-Nine**
- 11) Finisher's...**Fifty-Six**

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...**Forty-Four**
- 4) Replaced **One Hundred and Nine New** Units
- 5) Photocopiers...**Sixty-Nine**
 Computer Interfaced...**Sixty-Nine** with Print &-Or Scan
- 6) Low Operational Cost Network Printers...**Forty-Six w/ 236 Existing HP's (CPP)**
- 7) Low Cost Color Photocopiers...**Twelve plus 22 Color Network Printers**
- 8) High Speed Duplicator (s)...**None**

Total number of Units...**Three Hundred & Fifty-One**

- 9) Duplex's...**One Hundred & Thirty-Four**
- 10) Sorter's... **One Hundred & Thirty-Four**
- 11) Finisher's...**Sixty-Nine most 3-Hole Punch & some Fax Units**

Overall Description of Equipment Fleet:

Presently, you have **One Hundred & Forty-Seven** machines that would be traded out ... for **One Hundred and Twenty-Eight** New units... all with Five Year warranties. In addition, most if not all of your entire fleet with have confidential print.

Capital:

Currently, you have one rental with will be eliminated. With the new arrangement, you will have municipal Lease at 3.29%. You will have a down payment of **\$166,421.00 due Sept 1'st 2011**. Your first of five annual lease payments will be due on September 1'st 2011. 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.

Service & Supplies:

Considering all of your consumable cost centers including service you are averaging **\$0.008547 for black and \$0.30+- for Color laser Printers**. The new contract will come in at a CPC of **\$0.003363 for Black and \$0.04995 for Color** . Based on a 9 day discovery from PMS SAU 42 is currently doing 1,100 color prints daily. 195 days with 1, 100 prints daily give us a projected color usage of 214,500.

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 **Oce (Canon)**.

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1. Service & Supplies Color Photo only	\$64,350.00	\$10,617.75 >> based on 214,500 prints a year
2. Service & Supplies Black Photo only	\$135,370.72	\$82,944.53 >> Invoiced Annually 80% of projected-Reconciled End of Year
3. Workbooks	\$35,889.92	\$3,925.46 >> Shifted to Copiers
4. In House Printing (Volume shifted to copiers)	\$69,275.22	\$9,302.67 >> Shifted to Copiers
5. Outside Printing	\$5,250.00	\$540.50 >> Shifted to Copiers
6. Annual Muni Lease	\$828.00	\$81,285.98 >> Does Not Include Data Wipe of Hard Drives
7. Forced Upgrade	\$86,800.00	\$00.00 >> Eliminated
Totals	\$397,763.86	\$188,616.89
Annual Cost Savings		\$209,146.97
Five Year Cost Savings		\$1,045,734.85

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 2012**. 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.