

NHSAU 54
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Five-Year Basis beginning with the 2009/2010 Fiscal Year

Copies-per-Year: 14,759,594

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

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**Two Years**
- 2) Annual Price Ceilings Left...**Two Years**
- 3) High Volume Console Units...**Forty**
- 4) Units to be Traded...**Twenty-Four**
- 5) Photocopiers...**Sixty-Nine**
 - Computer Interfaced...**Thirty-One**
- 6) Network Printers....**Twenty One**
- 7) Color Photocopiers Networked ...**Fifteen**
- 8) High Speed Duplicator(s)...**Six**
 - Total number of Units...**Ninety-Six**
- 9) Duplex's...**Ninety**
- 10) Sorter's...**Ninety**
- 11) Finisher's...**Fifty-Two**

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-Nine**
- 4) Replaced by **Twenty-Four** New Units & **One** Recon Unit
- 5) Photocopiers...**Seventy-Two**
 - Computer Interfaced ..**Forty Seven** with Print &-Or Scan
- 6) Low Operational Cost Network Printers...**Twenty One**
- 7) Low Cost Color Photocopiers Networked...**Seventeen**
- 8) High Speed Duplicator (s)...**Five**
 - Total number of Units...**Ninety-Eight**
- 9) Duplex's...**Ninety-Three**
- 10) Sorter's...**Ninety-Three**
- 11) Finisher's >> Staple-Sort &Or 3-Hole Punch...**Fifty-Four**

Overall Description of Equipment Fleet:

Presently, you Twenty-Four machines that would be traded out.... for Twenty-Four New and One Recon unit... all with Five Year warranties. We traded out your oldest machines and moved your higher volume units into lower volumes and extended both the warranties and service contract of the last batch of new machines for five more years. This time we heavily invested in connecting high speed photocopiers (Forty-Seven with Twenty-One Low cost network printers) that has the potential of greatly reducing your cost of low end network printers as much as \$23,574.37 per year!

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. 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 \$0.007107. Based on SPC's bidding process your CPC will drop to \$0.004049 per print for black only.

Vendor Packages:

SPC has brought to you Six 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 **Ikon (Ricoh), KMI (Toshiba & Konica Minolta) & Xerox.**

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1. Service & Supplies Black Photo only	\$71,704.27	\$55,780.12
2. Service & Supplies Color Photo only	\$7,027.01	\$6,647.45
3. Forced Upgrades	\$18,200.00	\$00.00
4. Annual Muni Lease	<u>\$91,000.65</u>	<u>\$90,198.49</u>
Totals	\$187,931.93	\$152,626.06
Annual Cost Savings		\$35,305.87
Five Year Cost Savings		\$176,529.35

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.