

Region 3-North Penobscot Tech
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Five-Year Basis beginning with the 2015/2016 Fiscal Year

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Present vs. Proposed Recommendations as of 8/2/2015

PRESENT SITUATION

- 1) Guarantees on Photocopiers... **Ends 6-30-2015**
- 2) Annual Price Ceilings Left... **Ends 6-30-2015**
- 3) High Volume Console Units...**3**
- 4) Units to be Traded...**10**
- 5) Photocopiers... **4**
 Computer Interfaced...**4**
- 6) Network Printers....**8 w/ 2 Color & 1 Ink Jet**
- 7) Color Photocopiers Networked ... **1**
 Total number of Units...**17**
- 8) Duplex's...**11**
- 9) Sorter's...**16**
- 10) Finisher's...**3**

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...**2**
- 4) Replaced **9** Units
- 5) Photocopiers...**4**
 Computer Interfaced...**4** with Print &-Or Color Scan with Hard Drive
- 6) Network Printers...**9 w/ 1 Color**
- 7) Low Cost Color Photocopiers Networked...**2**
 Total number of Units...**15 CO 2 Due to Combining**
- 8) Duplex's... **15**
- 9) Sorter's... **15**
- 10) Finisher's... **3**

Overall Description of Equipment Fleet:

Presently, you have **Three different Manufacturers & Several different Models of Low end Network Printers that are costing you from \$0.12 for Ink Jet & \$0.035 per black print. Color prints are costing you as high as \$0.40 per print! The new arrangement will shift to two manufacturers...Budget with Xerox and HP's with just one company servicing everything.** This will greatly reduce cost and improve reliability.

Capital:

Presently, you have **one** municipal lease that will be paid off 8-1-2015. With the new arrangement, you will again have **one** 'municipal' master lease at 2.89% interest. Your first of five 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 **\$0.007945 for black and \$0.087160 for Color**. The new contract will come in at a CPC of **\$0.006122 for Black and \$0.054164 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 with Xerox and HP**.

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1. Service & Supplies Color Photo only	\$5,445.42	\$3,383.93
2. Service & Supplies Black Photo only	\$3,490.05	\$2,689.22
3. Annual Muni Lease	\$4,983.77	\$7,035.00*
4. Forced Upgrade	<u>\$3,950.00</u>	<u>\$00.00</u>
Totals	\$18,001.05	\$13,108.15
Annual Cost Savings		\$4,911.08

*Although the lease cost does go up, the service and supply cost savings offsets the increase. Note that with the last upgrade only **3 New units were purchased while 9 New units** are part of the new lease!

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 2016**. 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 has been included in the package.