

Rochester, City of
Blaine Cox
31 Wakefield Street
Rochester, NH 03867
Five-Year Basis beginning with the 2016/2017 Fiscal Year

Copies-per-Year: 1,712,772

Present vs. Proposed Recommendations as of 2/1/2017

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**One Year**
- 2) Annual Price Ceilings Left... **One Year**
- 3) High Volume Console Units...**8**
- 4) Units to be Traded...**101**
- 5) Photocopiers...**18**
- 6) Color Photocopiers Networked ...**9**
- 7) MFP's....**17 w/9 Color**
- 8) Network Printers....**66 w/ 28 Color**

Total number of Units...**101**

- 9) Duplex's...**80**
- 10) Finisher's...**15**

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...**8**
- 4) Replaced **96 New**
- 5) Photocopiers...**18 with Secure Print/Confidential Mailbox**
- 6) Low Cost Color Photocopiers Networked...**8**
- 7) MFP's....17 with #9 Color
- 8) Network Printers...**61 w/ 27 Color**

Total number of Units...**99 CO 5 Due to Low Volume**

- 9) Duplex's... **99**
- 10) Finisher's... **15**

Overall Description of Equipment Fleet:

Presently, you have **Three different Manufacturers & 13 of different Models Network Printers. The new arrangement will shift to one manufacture and three models (Two Black & one Color) servicing everything.** This will greatly reduce cost and improve reliability.

Capital:

Presently, you have **one** municipal lease & one Commercial Lease that will be paid off by SPC (One Payment remains). In addition SPC ship back the equipment to Great America Leasing. With the new arrangement, you will again have **one** 'municipal' master lease at 3.19% interest. Your first of five annual lease payments will be due on **August 1st 2017**. 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 City and bank officials, and that the lease purchase is a tax-exempt obligation with no premium payable by the City 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 **\$0.008199 for black and \$0.07173 for Color.** The new contract will come in at a CPC of **\$0.004137 for Black and \$0.052964 for Color. (Note that Black CPC for Photocopiers is at .0032)**

Vendor Packages:

SPC has brought to you **8** different vendor, matching up the best technology available to meet your needs. We would like to highlight the most qualified bid combination for your City, which is **KMBS with Konica Minolta for both Copiers and Printers all with OEM supplies.** (Note: KMBS are currently servicing Rochester School District with both Copiers & Printers.)

<u>Cost Center</u>	<u>Present</u>	<u>KMBS (OEM All New)</u>
1. Service & Supplies Color Photo only	\$10,613.44	\$7,836.70
2. Service & Supplies Black Photo only	\$12,829.34	\$6,473.05
3. Annual Muni Lease	\$33,668.16	\$53,407.11
4. Forced Upgrade (23 Owned machines)	<u>\$7,700.00</u>	<u>\$00.00</u>
Totals	\$64,810.94	\$67,716.86

Note: Your call, but to me the best overall bid is KMBS with all new and all OEM. Also, only a couple of different printer models vs keeping what you have.

*Although the lease cost does go up the service and supply cost savings offsets the increase. Note that with the last upgrade only **78 New units were purchased while 96**

New units are part of the 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 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 out old data on trade out units has been included in the package.