

**Sheepscot Valley RSU 12
Belinda Waterhouse
69 Augusta Road
Whitefield, ME 04353
Five-Year Basis beginning with the 2010/2011 Fiscal Year**

Copies-per-Year: 4,452,777

Present vs. Proposed Recommendations as of 5/1/10

PRESENT SITUATION

PROPOSED SITUATION

- | | |
|--|---|
| 1) Guarantees on Photocopiers... 3 years..Many have nothing | 1) Guarantees for both New, Recons & Used Photo's... Five+ Years |
| 2) Annual Price Ceilings Left... 3 years..Many have nothing | 2) 5% or CPI Annual Ceilings, whichever is less... Five+ Years |
| 3) High Volume Console Units with 3 Million+.. Sixteen | 3) High Volume Console Units with 3 Million +... Sixteen |
| 4) Units to be Traded.. Twenty-Nine | 4) Replaced by Thirty-Four New Units & One Recon Units |
| 5) Photocopiers... Thirty-Six | 5) Photocopiers... Fifty-Three |
| • Computer Interfaced... Twenty | Computer Interfaced .. Fifty-Three with Print &-Or Scan |
| 6) Network Printers.... Eighteen | 6) Low Operational Cost Network Printers... Seven |
| 7) Color Photocopiers Networked ... Nine | 7) Low Cost Color Photocopiers Networked... Sixteen |
| 8) High Speed Duplicator(s)... None | 8) High Speed Duplicator (s)... None |
| • Total number of Units... Fifty-Four | Total number of Units... Sixty |
| 9) Duplex's...Fifty-Two | 9) Duplex's... Sixty |
| 10) Sorter's... Fifty-Four | 10) Sorter's... Sixty |
| 11) Finisher's.. Twenty-Seven...Four Saddle Stitch | 11) Finisher's...Thirty-Three...Eleven Saddle Stitch |

Overall Description of Equipment Fleet:

Presently, you **Twenty-Nine** machines that would be traded out ... for **Thirty-Four** New and **One** Recon unit... all with Five Year warranties.

Capital:

Presently, you have **Four** various leases 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 **4.13%** interest. Your first of six annual lease payments will be due on August 1st. 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 **\$0.0106 for black and \$0.086574 for Color**. The new contract will come in at a CPC of **\$0.004332 for Black and \$0.08278 for Color with the new units at \$0.05+ .**

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 **Oce (Konica Minota), A-Copi (Toshiba) and Xerox Color Solid Ink**.

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1. Service & Supplies Color Photo only	\$2,650.46	\$2,620.33 >> Invoiced Quarterly in Arrears
2. Service & Supplies Black Photo only	\$34,489.74	\$17,759.35 >> Invoiced Annually 80% of projected-Reconciled End of Year
3. In House Printing	\$9,069.27	\$1,217.87 >> Invoiced Annually 80% of projected-Reconciled End of Year
4. Forced Upgrades	\$27,300.00	\$00.00
5. Annual Muni Lease	\$45,177.26	\$59,259.10 >>Six Payments
Totals	<u>\$118,686.73</u>	<u>\$80,856.65</u>
Annual Cost Savings		\$37,830.08
Five Year Cost Savings		\$189,150.40

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 2011**. 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.