



Specialized Purchasing Consultants Corp.

Serving Maine, New Hampshire & Vermont since 1988

CONTRACT

THIS CONTRACT (the "Contract") is made this 11 day of **December, 2013** by and between Specialized Purchasing Consultants ("Contractor" or "SPC") and RSU 20 ("Client"). For and in consideration of the mutual covenants and performance set forth herein, Contractor and Client agree as follows

Skip Tilton
President

Corporate Office:
PO Box 190
Gorham, NH 03581
(800) 750-1538
(866) 281-7596 Fax

Email:
stilton@spccopypro.com

1. **Term.** The term of this Contract is five years from the date hereof, unless earlier terminated or extended pursuant to the terms hereof or by mutual written agreement of the parties hereto. Client can terminate this Contract at any time for any reason after one year, upon 30 days written notice to Contractor, following an extension of this Contract to effect an upgrading of equipment covered by this Contract. Otherwise, so long as Contractor remains in business, this Contract shall not terminate, unless pursuant to the terms hereof.
2. **Fees.**
The fees payable by Client to Contractor under this Contract are: (a) eleven percent (11%) of the Total Cost Per Copy of all copies scheduled to be made on all service and supply agreements for reprographic equipment (Photocopiers, High-Speed Duplicators, Multi-functional, High End Network Printers, or other equipment outlined in the Five Year Equipment Replacement Schedule described in subparagraph (I)) leased, purchased, lease-purchased, financed, or refinanced by Client as a result of services performed by Contractor under this Contract (in other words, if the Total Cost Per Copy for services and supplies for equipment leased, purchased, lease-purchased, financed, or refinanced as a result of services performed by Contractor under this Contract is \$.003 per scheduled copy, the Contractor's fee is \$.00033 per such copy); and (b) eleven percent (11%) of the principal amount (cost) of all such reprographic equipment (in other words, if the total principal amount of reprographic equipment leased, purchased, lease-purchased, financed, or refinanced by Client as a result of services performed by Contractor under this Contract is \$3,000, the Contractor's fee is \$330). The "Total Cost Per Copy" for equipment covered by this Contract is defined as the total cost per copy scheduled to be charged for service and supply contracts between Client and servicing vendors for equipment acquired by Client as a result of services performed by Contractor under this Contract. Excluded from such service and supply contracts are the cost of paper and the cost of staples. No fees are payable by Client to Contractor hereunder, other than the retainer described in Paragraph 8 hereof, unless Client accepts a bid for reprographic services arranged by Contractor pursuant to this Contract, or unless Client breaches this Contract under Paragraph 4 hereof or otherwise. If this Contract is terminated pursuant to Paragraph 1 above, no fees payable hereunder are refundable by Contractor to Client.

Low End Network Printers (LENP) will be handled under a separate contract with the Vendors. Due to the limited volume done on LEMP's the fee charged will be Twenty-Five percent (25%) of what is negotiated with the Vendor. For example if the CPC negotiated is \$0.011, then the contractor's fee is \$0.00275 for a Total CPC of \$0.01375.

SPC guarantees that Client's initial new total cost of obtaining and operating reprographic equipment pursuant to this Contract will be less than Client's current total cost of obtaining and operating Client's current reprographic equipment, even after SPC's fees have been included in this new total cost. If SPC fails to achieve this, SPC will terminate this Contract, refund SPC's retainer received from Client, and provide an additional \$500.00 check to Client to cover any loss of time on Client's part.

3. **Services Performed By Contractor.**
 - a. **Initial Needs and Capabilities Analysis.** Contractor will provide to Client a written Initial Needs and Capabilities Analysis (contained within the Five Year Equipment Replacement Schedule described in subparagraph (I)) of Client's existing reprographic system including Client's current photocopiers, offset presses, high-speed duplicators, Low End Network Printers, and outside printing requirements. Based on this Initial Needs and Capabilities Analysis, Contractor will design, with Client's approval, an overall reprographic system for Client, with the goal of increasing Client's reprographic capabilities, while reducing Client's reprographic costs. Specifically, throughout the term of this Contract, Contractor will provide Client with initial long-term service and supply contract savings and capital savings of up to two-thirds of retail. Annually hereunder, Contractor will provide Client with guaranteed ceilings on any annual price increases for service and supply contracts covering equipment obtained under this Contract of 5% or the annual increase in the Consumer Price Index (CPI-U), whichever is less.
 - b. **Annual Use Report.** Annually hereunder, Contractor will provide to Client a written Annual Use Report analyzing the use of reprographic equipment and services and supplies by Client, with recommendations that identify for Client how to use such equipment, services and supplies, and other items in the most efficient and effective manner possible.
 - c. **Two-Year Needs and Capabilities Analysis.** Every two years hereunder, Contractor will perform a Needs and Capabilities Analysis for Client covering the same matters contained in the Initial Needs and Capabilities Analysis. Client must provide written authorization to Contractor to perform the Two-Year Needs and Capabilities Analysis.
 - d. **Bid Specifications.** Based on the results of the Initial Needs and Capabilities Analysis, Annual Use Report, and Two-Year Needs and Capabilities Analysis, as applicable, Contractor will prepare and distribute bid specifications to qualified contractors to obtain for Client reprographic equipment and services desired by Client.



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- e. **Selection of Vendors.** Contractor will analyze all bids received by Client for reprographic equipment and services pursuant to subparagraph (d) above and make recommendations to Client regarding how Client can obtain the most effective and lowest-cost reprographic equipment and services.
 - f. **Negotiation With Vendors.** After bids described in subparagraph (e) above are received, if further negotiation with vendors on behalf of Client is desired by Client, Contractor will undertake such negotiations with vendors at Client's direction so that contracts in compliance with Client's requirements can be executed.
 - g. **Financing.** Contractor will arrange tax-exempt lease-purchase financing or other appropriate financing for the reprographic equipment selected by Client. Contractor shall submit all transactions to Contractor's bond counsel listed in the Bond Buyer's Municipal Marketplace ("Bond Counsel"), for the preparation of all documents, for legal compliance review, and for the provision of any legal validity and tax opinions necessary to complete and finance such transactions. In addition, Client may arrange for its own counsel ("Issuer Counsel") to participate in the transaction or the Client may choose to select their own financing.
 - h. **Assumption of Existing Contracts.** Contractor will assume all financial obligations and hold Client harmless from such obligations under all existing contracts, leases, or financing agreements to which Client is a party and relating to all equipment being leased, purchased, lease-purchased, financed, or refinanced pursuant to this Contract. In order to facilitate the payment by Contractor of all obligations of Client under such contracts, leases, or financing arrangements, Client hereby authorizes Contractor, to change the billing addresses on such contracts, leases, or financing arrangements to the business address of Contractor. Client also agrees to hold Contractor harmless for, and to pay, any shipping costs back to a vendor or leasing company, or storage costs for such equipment, or any Federal, State, or local taxes lawfully assessed and due, now or hereafter, upon all equipment covered by such contracts, leases, or financing agreements being repaid by Contractor pursuant to this Contract.
 - i. **Cancellation and Renegotiation of Existing Service Contracts and Establishing New Service Contracts.** Contractor, at Client's direction, will cause existing service and supply contracts for reprographic equipment used by Client to be cancelled, and will negotiate new service and supply contracts at new terms acceptable to Client, including full replacement warranties from vendors for all equipment identified by Client.
 - j. **Annual Monitoring of Service Contracts.** During the term of this Contract, Contractor will monitor annually all reprographic service and supply contracts entered into by Client to verify correct billing and to identify over-usage and under-usage of particular equipment.
 - k. **Installation of Equipment.** After contracts have been awarded to vendors for reprographic equipment pursuant to this Contract, Contractor will communicate with such vendors to assure proper installation of equipment pursuant to the terms of any applicable lease-purchase or other financing agreement and to assure proper commencement of service and supply contracts.
 - l. **Provision of Equipment Replacement Schedule.** Contractor will provide to Client, and will update as necessary, a Reprographic Equipment Replacement Schedule (a "Five Year Equipment Replacement Schedule") for all equipment to be replaced, reconditioned, upgraded, or otherwise covered by this Contract.
 - m. **Provision of Key Operator Instruction Forms.** Contractor will provide Client with a Key Operator Instruction Form for posting adjacent to each copying machine of Client describing proper use, key operator name, machine serial number, life expectancy of such machine, location and telephone number of vendor's service manager, and warranties for the machine.
 - n. **Annual Equipment Performance Survey.** Contractor will submit an annual copying machine performance survey hereunder to the key operator of each machine to assure continuing reliability of each machine and to identify poorly operating equipment. Based on this survey, and based on ongoing input from Client, Contractor will assure that appropriate servicing vendors repair or replace any equipment covered by this Contract to Client's satisfaction.
4. **Exclusive Agency for Bidding and Selection of Vendors and Equipment.** All bidding, analysis, and selection of vendors and equipment by Client pursuant to this Contract shall be effected exclusively through Contractor. If, during the term of this Contract, Client executes a contract separate from Contractor with any vendor to provide services or equipment such as that covered by this Contract, then Client shall be in breach of this Contract and shall pay to Contractor all fees due and unpaid by Client to Contractor under this Contract, including all fees which would have been payable by Client to Contractor under this Contract had Client accepted bid meeting the terms of this Contract and arranged by Contractor for Client under this Contract, plus all costs including attorney's fees incurred by Contractor to collect such fees. If Client rejects all of the bids arranged by Contractor for Client pursuant to this Contract, then Contractor shall be allowed exclusively to re-bid for Client the services and equipment desired by Client according to Client's specifications. *[Signature]* **Client's Initials here acknowledge that Client carefully has reviewed the terms of this Paragraph 4 applicable to Client under this Contract.**
5. **Warranties.** Throughout the term of this Contract, Contractor will obtain for Client from vendors five-to- ten-year average warranties on all new equipment obtained for Client under this Contract, five-year average warranties for all reconditioned equipment obtained for Client under this Contract, and three-to-five year average warranties for all existing equipment of Client left in place and monitored by Contractor under this Contract.
6. **Equipment Upgrades and Adjustment of SPC Fees.** If any equipment which is covered by this Contract is upgraded or replaced during the term of this Contract, then Total Cost Per Copy fees payable by Client to Contractor under paragraph 2(a) above shall be adjusted by the net increase or decrease in copy volume from the original copy volume negotiated by Contractor for Client pursuant to this Contract. (For example, three years after execution of this Contract, Contractor is asked to do an upgrade by Client on certain of Client's equipment. After the upgrade is approved by Client, total copy volume on Client's equipment is scheduled to be 2,000,000 copies per year for the remaining two years of this Contract



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instead of the 1,500,000 copies per year originally scheduled under this Contract. Under such circumstances, Contractor would be entitled to receive a fee under paragraph 2(a) above including the additional 500,000 copies per year scheduled under the upgrade for the remaining two years of the Contract).

7. **Extending Contract Term.** If, in carrying out the provisions of this Contract, Contractor, with Client's written approval, negotiates for Client an equipment or service and supply contract that extends beyond the original term of this Contract, then the term of this Contract shall be extended automatically to a date that coincides with the latest expiration date of any such equipment or service and supply contract.
8. **Retainer.** Upon execution of this Contract, Client agrees to pay Contractor a retainer of **\$1,000.00** (Waived for Existing Client). This amount shall be credited in its entirety, however, to any fee earned by Contractor on the selection of reprographic equipment or services by Client pursuant to this Contract.
9. **Optional Unforeseen Cost Fund & SPC STAR Doc.** By initialing below, Client hereby elects to pay Contractor, as part of the principal amount of equipment covered by this Contract, a one-time charge for each item of reprographic equipment covered by this Contract, \$300 (for an existing Client of Contractor) to eliminate any liability by Client for costs unforeseen by Client for:
- a. SPC STAR Doc (Remote Monitoring of all documents)
 - b. Shipping or storage under Paragraph 3(h) hereof;
 - c. Computer interface Ports
 - d. Computer Interface Drops
 - e. Specialized Reprographic Surge Protectors
 - f. Electrical Rewiring found to be necessary to integrate reprographic equipment provided hereunder to Client's existing electronic data processing network
 - g. Additional legal cost to build and facilitate the lease

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Floor planning all printing devices including Multi function devices as well as Network printers & Local Printers.

Client Initials:
Accept RCB

10. **Entire Agreement.** This Contract represents the entire agreement between Contractor and Client with regard the subject matter hereof. No oral negotiations, discussions, or agreements, either prior to or subsequent to the date of this Contract, with regard to the subject matter hereof, are binding upon Contractor or Client, unless reduced to writing and set forth in the form of an agreement, signed by both Contractor and Client.

No Conflicts-of-Interest by Contractor. Contractor warrants to Client that Contractor has no monetary or other self-interest in the selection of any vendor to provide reprographic equipment or services to Client pursuant to this Contract, and that the performance of Contractor's obligations pursuant to this Contract shall be solely in the interests of Client to provide Client with the best possible reprographic equipment and services at the lowest possible price.

CLIENT

Company	RSU 20
Signature	X <u>Brian Carpenter</u>
Authorized by (please print)	<u>Brian Carpenter</u>
Title	<u>Superintendent of Schools</u>
Address 1	<u>6 Lyons Way</u>
City, State, Zip	<u>Belfast, ME 04915</u>
Telephone Number	<u>207-338-1760</u>
Fax Number	<u>207-338-4597</u>
E-mail address	<u>bcarpenter@rsu20.org</u>

CONTRACTOR (SPECIALIZED PURCHASING CONSULTANTS)

SPC Corporate
Signature

Skip Tilton

This is the entire contract. Any verbal promises made outside of this contract are null & void.