

NHSAU 54 – Rochester Schools
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Five-Year Basis beginning with the 2017/2018 Fiscal Year
Copies-per-Year: 12,877,727

Present vs. Proposed Recommendations as of 8/2/2017

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**One Year**
- 2) Annual Price Ceilings Left... **One Year**
- 3) High Volume Console Units...**43**
- 4) Units to be Traded...**215**
- 5) Photocopiers...**50**
- 6) Color Photocopiers Networked ...**22**
- 7) MFP's... **152**
- 8) Network Printers....**22 w/ 13 Color**

Total number of Units...**224**

- 9) Duplex's...**224**
- 10) Finisher's...**49**

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...**34**
- 4) Replaced **211 New**
- 5) Photocopiers...**52 with Secure Print/Confidential Mailbox**
- 6) Low Cost Color Photocopiers Networked...**6**
- 7) MFP's... **147 w/13 Color**
- 8) Network Printers...16 w/ **12 Color**

Total number of Units...**215 closing out 9 units**

- 9) Duplex's... **215**
- 10) Finisher's... **52**

Overall Description of Equipment Fleet:

Presently, you have **One different Manufacturer & 16 different Models**. **The new arrangement will shift to one vendor servicing everything with as few models as possible**. This will greatly reduce cost and improve reliability.

Capital:

Presently, you have **one** municipal lease & one Commercial Lease that will be paid off on August 1st, 2017. With the new arrangement, you will again have **one** 'municipal' master lease at 3.09% interest. Your first of five annual lease payments will be due on **August 1st 2018**. 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 school district. 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 **\$0.004450 for black and \$0.053900 for Color**. The new contract will come in at a CPC of **\$0.003568 for Black and \$0.05496 for Color**.

Vendor Packages:

SPC has brought to you multiple different vendor combinations, matching up the best technology available to meet your needs. We would like to highlight the most qualified bid combination for your School District.

<u>Cost Center</u>	<u>Present</u>	<u>KMBS (All New)</u>
1. Service & Supplies Color Photo only	\$9,667.20	\$9,733.16
2. Service & Supplies Black Photo only	\$56,234.25	\$45,096.62
3. Annual Muni Lease	\$108,273.59	\$135,765.00
4. Forced Upgrade (28 Owned Copiers)	<u>\$61,500.00</u>	<u>\$00.00</u>
Totals	\$235,675.04	\$190,594.78

*Although the lease cost does go up the service and supply cost savings offsets the increase. Note that with the last upgrade only **192 New units** were purchased while **211 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 2018**. 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.