

**SD 10 Milton
Don Johnson
42 Herrick Avenue
Milton, VT 05468
Five-Year Basis beginning with the 2014/2015 Fiscal Year**

Copies-per-Year: 5,400,611

Present vs. Proposed Recommendations as of 11/1/14

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**One Year**
- 2) Annual Price Ceilings Left... **One Year**
- 3) High Volume Console Units...**13**
- 4) Units to be Traded...**29**
- 5) Photocopiers...**29**
Computer Interfaced...**102**
- 6) Network Printers....**73 w/ 24 Color**
- 7) Color Photocopiers Networked ...**4**
Total number of Units...**102**
- 8) Duplex's...**100**
- 9) Sorter's...**102**
- 10) Finisher's...**27**

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...**13**
- 4) Replaced **29 New**
- 5) Photocopiers...**29**
Computer Interfaced...**102** with Print &-Or Color Scan with Hard Drive
- 6) Network Printers...**73 w/ 24 Color**
- 7) Low Cost Color Photocopiers Networked...**5**
Total number of Units...**102**
- 8) Duplex's... **100**
- 9) Sorter's... **102**
- 10) Finisher's... **27**

Overall Description of Equipment Fleet:

Presently, you have **two** different Photocopier Manufacturers with Ricoh and Canon Solutions of America (formerly Oce). **The new arrangement will shift to One manufacturer...Canon Solutions of America with the copiers.** Office Systems of Vermont will continue to service the printers. This will greatly reduce cost and improve reliability.

Capital:

Presently, you have **one** municipal lease that is paid off. With the new arrangement, you will again have **one** 'municipal' master lease at 2.79% interest. Your first of five annual lease payments will be due on August 1'st 2015. 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 **\$0.004740 for black and \$0.057664 for Color.** The new contract will come in at a CPC of **\$0.00366 for Black and \$0.04746 for Color.**

Vendor Packages:

SPC has brought to you **Four** 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 **Canon Solutions of America which is your best combination.**

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1. Service & Supplies Color Photo only	\$ 32,112.71	\$26,432.60
2. Service & Supplies Black Photo only	\$ 22,957.32	\$17,719.56
3. Annual Lease	\$ 00.00	\$47,192.40 > Lse Payment due 8-1-2015
4. Forced Upgrade	<u>\$ 21,650.00</u>	<u>\$00.00</u>
Totals	\$76,720.03	\$91,344.56

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.