

SD 16 South Burlington
John Aubin
550 Dorset Street
South Burlington, VT 05403
Five-Year Basis beginning with the 2016/2017 Fiscal Year
Copies-per-Year: 6,220,387

Present vs. Proposed Recommendations as of 11/1/2016

PRESENT SITUATION

- 1) Guarantees on Photocopiers...<One Year
- 2) Annual Price Ceilings Left... <One Year
- 3) High Volume Console Units...17
- 4) Units to be Traded...72
- 5) Photocopiers...27
- 6) Color Photocopiers Networked ...6
- 7) MFP's....7 w/1 Color
- 8) Network Printers....64 w/ 9 Color

Total number of Units...98

- 9) Duplex's...47
- 10) Finisher's...20

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...19
- 4) Replaced 85 New
- 5) Photocopiers...25 with Secure Print/Confidential Mailbox
- 6) Low Cost Color Photocopiers Networked...7
- 7) MFP's....11 w/1 Color
- 8) Network Printers...61 w/ 8 Color

Total number of Units...97 CO 2 Due to Low Volume

- 9) Duplex's... 87
- 10) Finisher's... 25

Overall Description of Equipment Fleet:

Presently, you have **Five different Manufacturers & Dozens of different Models**. The new arrangement will shift to one vendor servicing all new printers and copiers (Toshiba Copiers, Existing HP Printers and Kyocera Printers). This will greatly reduce cost and improve reliability.

Capital:

Presently, you have **one** municipal lease that is already paid off. With the new arrangement, you will again have **one** 'municipal' master lease at 3.04% 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 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 **\$0.006909 for black and \$0.159043 for Color**. The new contract will come in at a CPC of **\$0.003450 for Black and \$0.041333 for Color**. (Note that Black CPC for Photocopiers is at .0029)

Vendor Packages:

SPC has brought to you **2** different vendors as part of piggy back bid, matching up the best technology available to meet your needs. We would like to highlight the most qualified bid combination for your School District, which is OSV with **Toshiba Copiers & Kyocera Printers**.

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1. Service & Supplies Color Photo only	\$35,393.92	\$9,198.44
2. Service & Supplies Black Photo only	\$41,440.08	\$20,712.60
3. Annual Muni Lease	\$45,316.74	\$62,309.33
4. Fully depreciated Machines...73	<u>\$25,980.00</u>	<u>\$00.00</u>
Totals	\$148,130.73	\$92,220.37

*Although the lease cost does go up the service and supply cost savings offsets the increase. Note that with the last upgrade only **12 New units were purchased while 85 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.