

SU 22
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Five-Year Basis beginning with the 2011/2012 Fiscal Year

Copies-per-Year: 5,280,285

Present vs. Proposed Recommendations as of 9/01/2011

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**None**
- 2) Annual Price Ceilings Left...**None**
- 3) High Volume Console Units...**Seven**
- 4) Units to be Traded...**Twenty**
- 5) Photocopiers...**Sixteen**
 Computer Interfaced...**Sixteen**
- 6) Network Printers...**Four**
- 7) Color Photocopiers Networked ...**Four**
- 8) High Speed Duplicator(s)...**None**
 Total number of Units...**Twenty**
- 9) Duplex's... **Twenty**
- 10) Sorter's...**Twenty**
- 11) Finisher's...**Twelve...Three w/Saddle Stitch...**
 Nine w/3-Hole Punch

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...**Seven**
- 4) Replaced **Sixteen New & Two Recon** Units
- 5) Photocopiers...**Fifteen**
 Computer Interfaced...**Fifteen**
- 6) Low Operational Cost Network Printers...**Three**
- 7) Low Cost Color Photocopiers Networked...**Four**
- 8) High Speed Duplicator (s)...**None**
 Total number of Units...**Eighteen**
- 9) Duplex's... **Eighteen**
- 10) Sorter's... **Eighteen**
- 11) Finisher's... **Fifteen... Five w/Saddle Stitch & Three Tri-Fold Units**
 Thirteen w/3-Hole Punch

Overall Description of Equipment Fleet:

Presently, you have Twenty machines that would be traded out or Returned ... for Sixteen New units & Two Recon... all with Five Year warranties. In addition, most if not all of your entire fleet with have confidential print.

Capital:

Presently, your municipal lease is paid off. With the new arrangement, you will again have one 'municipal' master lease at **3.49%** interest. Your first of five annual lease payments will be due on August 1st 2012. 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 \$0.006937 for black and \$0.09597 for Color. The new contract will come in at a CPC of \$0.003 for Black and \$0.047197 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 **Oce (Canon) & Office Systems (Toshiba & Kyocera)**.

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1. Service & Supplies Color Photo only	\$3,031.12	\$1,490.66>> Invoiced Quarterly in Arrears
2. Service & Supplies Black Photo only	\$27,164.12	\$14,270.98>> Invoiced Annually 80% of projected-Reconciled End of Year
3. In House Printing (Volume shifted to copiers)	\$9,467.78	\$1,271.39>> Invoiced Annually 80% of projected-Reconciled End of Year
4. Annual Muni Lease	\$43,714.06	\$39,850.62
5. Forced Upgrade	<u>\$14,950.00</u>	<u>\$00.00</u>
Totals	\$98,327.08	\$56,883.65
Annual Cost Savings		\$41,443.43
Five Year Cost Savings		\$207,217.15

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.

Security package: Wiping out old data on trade out units and adding overwrite software is included in this package.