

Union 107-AOS 90 Barry McLaughlin
63 Broadway Street
Baileyville, Me 04694
Five-Year Basis, beginning with the 2012/2013 Fiscal Year

Copies-per-Year: 1,078,591

Present vs. Proposed Recommendations as of 10/1/12

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**One Year**
- 2) Annual Price Ceilings Left...**One Year**
- 3) High Volume Console Units...**3**
- 4) Units to be Traded...**13**
- 5) Photocopiers...**13**
 Computer Interfaced...**9**
- 6) Low End Network Printers...**0**
- 7) High End Network Printers...**0**
- 8) Color Photocopiers Networked ...**0**
 Total number of Units...**13**
- 9) Duplex's...**13**
- 10) Sorter's...**13**
- 11) Finisher's...**12**

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...**6**
- 4) Replaced **9 New Units**
- 5) Photocopiers...**9**
 Computer Interfaced...**9 with Print &-Or Color Scan-Secure Print**
- 6) Low End Network Printers...**0**
- 7) High End Network Printers...**0**
- 8) Low Cost Color Photocopiers Networked...**4**
 Total number of Units...**9...Closing out 4 Locations**
- 9) Duplex's... **9**
- 10) Sorter's... **9**
- 11) Finisher's... **9**

Overall Description of Equipment Fleet:

Presently, you have **Thirteen total number of units. Several of these machines are underused. Therefore, it would be best to combine locations while increasing the print engine size to accommodate the shift. We have also connected all units to your network in order to shift printer volume over to copiers. In addition, it is necessary to bring in affordable color in controlled locations (Main Office).** 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 **3.01%** interest. Your first of Five annual lease payments will be due on August 1st 2013. 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 **\$0.007566 for black**. The new contract will come in at a CPC of **\$0.0039 for Black and \$0.04995 for Color.**

Vendor Packages:

SPC has brought to you **Three** different vendor combinations, matching up the best technology available to meet your needs. We would like to highlight the most qualified bid, which is the low bidder... **A-Copi with Toshiba.**

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1. Service & Supplies Black Photo only	\$5,707.02	\$4,799.04>> Invoiced Annually 80% of projected-Reconciled End of Year
2. In House Printing (Volume done on LENP)	\$3,603.46	\$00.00 >> Shifted over to Network Copiers
3. Annual Muni Lease	\$16,913.03	\$15,490.59 > 5 Payments
4. Forced Upgrade	<u>\$5,950.00</u>	<u>\$00.00</u>
Totals	\$32,173.51	\$20,289.63
Annual Cost Savings		\$11,883.88
Five Year Cost Savings		\$59,419.39

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 2013**. 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.