

Westbrook Schools
Jeremy Ray
117 Stroudwater Street
Westbrook, Me 04098
Five-Year Basis beginning with the 2012/2013 Fiscal Year

Copies-per-Year: 6,585,934

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...**22**
- 4) Units to be Traded...**29**
- 5) Photocopiers...**43**
 Computer Interfaced...**26**
- 6) Low End Network Printers....**0...Under BEU Contract**
- 7) High End Network Printers....**11 with 1 Color**
- 8) Color Photocopiers Networked ...**8**
 Total number of Units...**54**
- 9) Duplex's...**54**
- 10) Sorter's...**54**
- 11) Finisher's...**30**

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...**17**
- 4) Replaced **31 New & 1 Recon** Units
- 5) Photocopiers...**37**
 Computer Interfaced...**37** with Print &-Or Scan
- 6) Low End Network Printers...**0**
- 7) High End Network Printers....**4**
- 8) Low Cost Color Photocopiers Networked...**10**
 Total number of Units...**51**
- 9) Duplex's... **51**
- 10) Sorter's... **51**
- 11) Finisher's... **29**

Overall Description of Equipment Fleet:

Presently, you have two units per main office with one in black and second in color. We combined the two into one machine. This will greatly reduce cost.

Capital:

Presently, you have one municipal lease that will be paid off. This will prevent an overlapping effect which causes major fluctuations from year to year. 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 1'st 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 **\$0.007488 for black and \$0.0905 for Color**. The new contract will come in at a CPC of **\$0.003678 for Black and \$0.04995 for Color**.

Vendor Packages:

SPC has brought to you Five 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 **A-Copi (Toshiba & Kyocera Printers)**.

<u>Cost Center</u>	<u>Present</u>	<u>Proposed</u>
1. Service & Supplies Color Photo only	\$5,040.58	\$2,782.07>> Invoiced Quarterly in Arrears
2. Service & Supplies Black Photo only	\$30,550.21	\$22,178.01>> Invoiced Annually 80% of projected-Reconciled End of Year
3. In House Printing (Volume shifted to copiers)	\$18,350.50	\$1,840.57>> Invoiced Annually 80% of projected-Reconciled End of Year
4. Annual Muni Lease	\$64,793.43	\$46,156.32
5. Forced Upgrade	<u>\$44,500.00</u>	<u>\$00.00</u>
Totals	\$163,234.72	\$72,956.97
Annual Cost Savings		\$90,277.75
Five Year Cost Savings		\$451,388.75

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 2012**. 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 has been included in the package.