

**York School District
300 York Street
York, ME 03909**

Five-Year Basis beginning with the 2007/2008 Fiscal Year

Copies-per-Year: 6,237,344

Present vs. Proposed Recommendations as of 8/1/07

PRESENT SITUATION

- 1) Guarantees on Photocopiers...**One Year**
- 2) Annual Price Ceilings Left...**One Year**
- 3) High Volume Console Units... **Twelve**
- 4) Units to be Traded...**Twenty Five**
- 5) Digital Units...**Thirty Six**
- 6) Computer Interface Photocopiers...**Two**
- 7) Total number of Units...**Forty One**
- 8) Duplex's...**Thirty Seven**
- 9) Sorter's...**Thirty Seven**
- 10) Finisher's...**Twenty**
- 11) High Speed Duplicators... **Two**
- 12) Low Cost Black-Color Photocopiers ... **Two**
- 13) Low Operational Cost Network Printers.. **Sixteen**

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...**Fifteen**
- 4) Replaced by **Twenty-Two** New Units
- 5) Digital Units...**Thirty Eight**
- 6) Computer Interfaced Photocopiers...**Thirteen** with Print & Scan **Twelve**
- 7) Total number of Units..**Thirty Eight**
- 8) Duplex's...**Thirty Seven**
- 9) Sorter's...**Thirty Seven**
- 10) Finisher's >> Staple Sort...**Twenty One**
- 11) High Speed Duplicators...**None**
- 12) Low Cost Black-Color Photocopiers...**Eight** with Print, Scan & Fax
- 13) Low Operational Cost Network Printers...**Nine**

Overall Description of Equipment Fleet:

Presently, you have **Twenty-Five** machines that will be traded out that were originally part of the old fleet plus one flood damaged color unit. It is our belief that if these units are upgraded, the overall reliability would greatly improve. In addition, we would be placing the new units into your highest volume locations, while at the same time moving out your last upgrade machines into lower volume locations. In this way, the entire operation is improved without having to replace 100% of your equipment fleet.

Capital:

Presently, you have **your master** municipal lease paid off. With the new arrangement, you will again have **one** 'municipal' master lease at 4.12% interest. We have factored in a **\$15,000 down payment** that will lower future lease payments. The funds will be available from cost savings within the service and supply budget. Thereafter, your first of five annual lease payment will be due on August 1st 2008. 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:

Presently, you have a simple all inclusive 'Service & Supply' contract, averaging **\$0.008913**. SPC's bidding process came in at **\$0.004739** per print. Your all-inclusive cost per print excluding only paper and staples came in at \$0.0132 per print!

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 **Ikon, Danka & Xerox**.

<u>Cost Center</u>	<u>Present Cost</u>	<u>Proposed Cost</u>
1. Service & Supplies Photocopiers only	\$50,430.32	\$29,437.30
2. Forced Upgrades	\$13,200.00	\$0.00
3. Annual Muni Lease	<u>\$42,415.30</u>	<u>\$34,540.95</u>
Totals	\$106,045.62	\$63,978.25
Annual Cost Savings		\$42,067.37
Five Year Cost Savings		\$210,336.85

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 2008**. 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.