URBANA SCHOOL DISTRICT #116
BUSINESS OFFICE MEMO

TO: Dr. Donald D. Owen, Superintendent

FROM: Carol Baker
Chief Financial Officer

DATE: March 1, 2018

RE: Xerox Copier Equipment Proposal

We are coming to the end of our 5-year copier equipment lease/purchase approved in 2013. The attached proposal is from our current provider, RK Dixon.

UMS and UHS both experienced substantial equipment down time this past year due to the volume on these machines. We are therefore proposing more robust machines at UMS and UHS. We feel these machines will provide the production capacity for improved performance. We are also proposing replacing one of the smaller machines in the print shop with a larger low-level production machine so that it is available as a backup in the print shop during busy times or equipment repairs. The proposal provides several upgrades while keeping the monthly rate near where it currently is.

The highlights of the proposal include:

- More robust production machines at UMS and UHS (D95)
- Elementary schools will all receive copiers with upgraded software with screens similar to Ipads
- Print shop will replace a small copier with a production machine (D95)
- Last 2 payments on current lease will be waived ($13,828 savings)
- Monthly cost only increases $297
- No increase in overage rate from last contract
- Dollar buyout at end of prior lease means we will now own all of our old machines and will utilize several machines as additional copiers in buildings for as long as they are operable
- RK Dixon will remove all old unwanted copiers at no additional cost

I recommend the Board approve the lease/purchase of this equipment from RK Dixon at a monthly price of $7,210. A resolution approving the financing will be provided at the next meeting.

rkdixon

Proposal prepared for:

Urbana School District 116

Date: February 28, 2018

Presented by: Taylor Adams & Drew Gibbs

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Our understanding of your needs

During our time working with you, and based on our conversations, we have put together a list of items that we feel are pertinent to address for this proposal. Our goal is to ensure that we all have a clear understanding of all of your needs:

1. Your current fleet has brought about challenges to keep running at their highest level based on the volumes required by the school district to function properly.
    a. Although positive steps have been taken to rectify this by placing limits on jobs to funnel to the print shop that runs production equipment, as outlined previously, we feel further steps would be beneficial.
        i. By placing another entry-level production machine fitted to run as an everyday copier at both the high school and middle school, we feel this will accomplish this goal.
    b. As previously stated, we feel there are other machines that are not currently being fully utilized and the district would benefit from having those "right-sized" which will keep the new payment at or under the current amount.
        i. From our last discussion Carol suggested that we look at this as well as a price for keeping all of the tertiary machines the same. (i.e.- all non-production as 75 ppm machines instead of utilizing any 55 ppm machines)
        ii. Both of these prices are reflected in the proposed scenarios in the pages that follow.
2. The plan is to keep some of the current machines, and the district will let us know which ones.
    a. We suggested that one of the machines be kept to replace the current Canon machine in the office at Leal Elementary, and we can write a separate service agreement for them.
3. When working with the codes for Xerox Standard Accounting, having leading zero's for codes does not work. We need to be aware of this when setting up new devices.
4. Screen Protectors for the User Interface screens.
    a. These are not available through Xerox, and we could not locate them elsewhere, but if our search does find something available we will let you know.
5. Illinois State Educational Consolidation Agreement – By leveraging the pricing from the Illinois State Contract and other pre-negotiated contracts, i.e. – Educational & Institutional (E&I) Contract, we are able to combine these together in a format that will be the best fit for the Urbana School District. There are no production devices related directly with the state contract, so we pulled the pricing for the production machines from the E&I contract, and coupled that with the pricing from the Illinois State Contract for the rest of the machines; and put these on the consolidated contract. This will alleviate several challenges the district would face, which are outlined below:
    a. The accounting/payables would come from several entities, so we take this away and can keep this together on one bill.

b. The service with the state and E&I contracts are two separate structures and have a different set of minimums that are not shared across your fleet. By putting this together on one agreement, we are able to control this cost the way you are used to with the same rates and minimums.

c. Terms – The terms are set up differently with the different contracts, but we are able to keep these consistent through this agreement.

d. By consolidating these contracts, we are able to provide the district a financial savings over utilizing these contracts individually.

The financial proposal

Configuration – 60 month Term, $1-out

Equipment	Quantity
Xerox B8075's, with office finisher	10
Xerox D95's, with light production finisher	3
Xerox D125's, with production booklet-maker finisher, external Fiery controller	2
Xerox B8055, with office finisher	1

Lease & Service contract

We can offer you a comprehensive lease and service contract that includes Xerox equipment, consumables, telephone support and on-site maintenance of your equipment.

Fixed Image Management Service & Lease	Number of Black and White pages included	Number of Color pages included	Excess Black and White print charge	Excess Color print charge
$7210.83	9,999,996	n/a	.00399	n/a

These rates include supply of Toner, Staples, Parts, & Labor. Excludes paper. Includes connectivity & training. RK Dixon will cover the last two payments of the current lease, so the district will only be responsible for the April lease billing through March. This is contingent on delivery and acceptance of all equipment by March 31st, thus, shortening the overage cycle on the current agreement by 2 months as well.

Current cost comparison – Overall per month Spend

Equipment Lease & Maintenance Monthly Cost		Average Overs Cost ($.00399 x avg – 370,991)	Overall Monthly Spend
Current	$ 6914.07	$ 1484.40	$ 8398.47
Proposed Option – 60 mos.	$ 7210.83	$ 1484.40	$ 8695.23

This quote is valid until March 31, 2018 and is subject to change at that time.