

GLENBROOK HIGH SCHOOLS

**TO: Dr. Riggle
Hillary Siena**

**FROM: Kimberly Ptak
Marcus Thimm**

DATE: May 13, 2013

**RE: APPROVAL OF MULTIFUNCTIONAL COPIER AND PRINTER
PURCHASE AND LEASE**

Recommendation

It is recommended that the Board of Education

1. Approve the purchase of multifunctional copiers and production equipment from Xerox in the amount of \$397,851.
2. Approve the purchase of HP printers from Genesis in the amount of \$69,668.
3. Award a 5-year \$1 buyout lease to American Capital to finance the above purchases in the amount of \$96,831 per year.
4. Approve a per-click cost of \$.0047 to Xerox for multifunctional and production equipment black and white copies/prints and \$.0449 for color copies/prints. The per click cost covers maintenance, service, repair and supplies.
5. Approve a per-click cost of \$.011 to Genesis for printer equipment black and white copies. The per click cost covers maintenance, service, repair and supplies.

Financial Summary

Annual cost of lease	\$96,831
Annual estimated "click*" cost for copiers & production equipment (\$.0047/click @ 19M clicks)	\$89,300
Annual estimated "click*" cost for printers (\$.011/click @ 1M clicks)	\$11,000
Annual estimated color cost (\$.0449/click @ 275K clicks)	\$12,350
TOTAL ANNUAL COST	\$209,481
CURRENT ANNUAL COST	\$355,816
ANNUAL SAVINGS	\$146,335
SAVINGS OVER 5-YEAR CONTRACT	\$731,675

“* A “click” is essentially one copy or print. The cost per click is \$.0047 for multifunctional copiers and \$.011 for printers and is intended to cover the 5-year warranty, machine service and repairs and supply cost.

Background

In 2005, the district conducted an RFP to remove all departmental copy machines and printers and replace them with multifunctional machines (i.e. machines that copy, print and scan.) At the time, the district was buying copy machines from 8 different vendors and each machine had its own terms. The RFP sought to consolidate to one vendor and put all “clicks” and other terms on one agreement. Xerox was awarded the RFP.

In 2008, the district expanded this initiative to include all lab and classroom printers and entered into a new 5-year contract with Xerox. The lease ends June 30, 2013 as such, an RFP was conducted.

RFP Process

The RFP grouped devices into three categories; production/print shop equipment, multifunctional devices and printers. Seven vendors participated in the RFP.

Production/Print Shop Equipment

The RFP specified two production machines (an 85ppm color/b&w and a 110ppm b&w) in the GBN and GBS print shops. In this area, Xerox offered significantly lower priced equipment than any of the other participants. The district has been using Xerox production equipment for the last eight years and is happy with the quality and reliability of the equipment.

Multifunctional Copy Machines

The RFP specified 71 multifunctional copy machines which will be placed in departments, the IMCs and other office areas. Three finalists were selected (Xerox, Canon (distributed through the Gordon Flesch Company) and Konica Minolta (distributed through Impact Networking)). A machine for each finalist was placed at Glenbrook North and Glenbrook South for two weeks. Training on the machines was conducted and vendors had an opportunity to demonstrate advanced features. Based on technical feedback, references and user experience, Xerox was the strong preference.

Printers

The RFP specified 92 printers, primarily for classrooms and labs. Four finalists were selected; Genesis (HP printers), Xerox, Canon and Kyocera. A printer from each finalist was placed in labs at GBN and GBS and was tested over a two week period. The HP printer was the preference in terms of the ease of connecting to the network and overall robustness and reliability.

Savings is significant (estimated at \$146,000 per year or \$732,000 over the life of the five year contract) and is derived from the following –

1. 15% machine consolidation Prior to distributing the RFP, a consolidation study was conducted. Meetings were held with each department to look at machine placement and printing/copy volumes. The 15% reduction still allows for proper redundancy within the

departments and areas and will continue to meet all printing and copying needs. In addition, certain large multifunctional machines will be replaced with smaller machines where appropriate.

2. Reduced cost per click Through the RFP process, the district was able to negotiate lower “click” costs - \$.0047 vs. \$.0067 for black and white and \$.047 vs. \$.09 for color.
3. Reduced equipment cost Xerox now holds the state contract which offers pricing approximately 20% less than current pricing.
4. Use of a third party leasing company Buying direct from the vendor and financing with a third party leasing company offers savings when compared to leasing directly from the copy vendor.
5. “Pay as you go” click cost Typical agreements require a minimum annual copy volume. Our new agreement is structured as a “pay as you go” model so the district will not be required to meet any minimum volumes.
6. Consolidation of color capability All of our current machines offer color capability. To reduce costs, only the print shop, main office and district office equipment will have color capabilities. Any color that is printed gets charged to the department.
7. 5-year lease Some of the printers have been on three year leases, now all equipment will be on a 5-year lease which will result in lower annual payments. Life expectancy of the printers is 5+ years.

Future Savings

The projected savings of \$145,000 per year, assumes copy volume remains the same. The contract will be structured so the district will only pay for the number of copies/prints it makes. As we continue to move toward decreased printing and copying, the district will see additional savings.

Value Add Features

Technology has changed and new features will be available with the new copy machines including the ability to print Google documents directly from the machine as well as the ability to scan to Word or Excel.

Timeline

May 6, 2013	Board of Education discussion
May 13, 2013	Board of Education approval
June 24, 2013	Machines are deployed