

COPIER REPLACEMENT PROJECT

FINAL RECOMMENDATION

TO

BOARD OF DIRECTORS

Equipment recommendation

- Purchase the existing Risograph to be used for “production copies”
- Use the Savin as our “casual copies” machine for ten months
- Purchase 3 workgroup multi-function printers in August 2008 for “casual copies”
- Optionally purchase a dedicated printer for pew rack cards and post cards
- Optionally purchase a letter folder for bulk mailings

Lease recommendation

- Exercise the fair market value buyout option on the Risograph and terminate the current month-to-month lease
- Aggressively pursue IKON to include the Riso cylinders that were returned as part of the buyout
- Continue Risograph maintenance with IKON in its current form with option to terminate with 30 days notice pending our decision on its cost effectiveness
- Continue the Savin lease through its final ten months and then terminate the lease.
- Continue to pay quarterly maintenance on the Savin for the next ten months
- Insist that IKON services the Savin to perform to spec or that they replace with an equivalent machine at no additional cost or lease term extension

Operating recommendation

- Manage Savin copies to 3,000 per month (these are effectively prepaid, so using fewer is not to our benefit)
- Purchase six months of Risograph supplies at a time through discount wholesalers for 50% savings
- Make liberal use of spot color and/or a branded cover for the bulletin at very little incremental cost
- Make better use of projection and begin a gradual reduction in bulletin paper consumption
- Consider using cheaper paper for some print runs. Copiers need high grade paper or they tend to jam, however the Risograph thrives on cheap paper (even newsprint)
- Sell 31 excess Savin toner cartridges in supply closet

Previous cost commitments to fulfill existing leases

Savin lease payments through August 2008	\$2,900
Risograph return freight	\$350
Risograph extra two months rent	\$392
TOTAL	\$3,642

New cash outlay required

Risograph lease buyout	\$600
LESS: return freight and rent not owed	(\$546)
TOTAL	\$54

New monthly cost commitments

Savin maintenance contract	\$57
Riso maintenance contract	\$43
TOTAL	\$100

Future cash outlay commitments

Workgroup printer, monochrome (2 units)	\$800
Workgroup printer, color	\$600
Pew rack card printer	\$150
Letter folder	\$250
TOTAL	\$1,800

Prior cost recovery

Sell Savin toner cartridges on eBay (\$4,700 retail value)	(\$3,800) ??
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Estimated costs

	Monthly	Per Copy
Savin (lease, maintenance, supplies, paper)	\$368	12.2¢
Risograph (depreciation, maintenance, supplies, paper) [paper alone is \$167 per month for the Riso]	\$274	1.1¢

Alternates considered

	Monthly	Per Copy
Toshiba Super Duper Mega Machine - Refurbished	\$360	1.4¢
IKON proposal with unclear costs	\$700-\$1,100	??
Xerox WorkCentre 7655	\$835	2.5¢