

**Cedar Hill Independent School District
Board of Trustee Meeting
September 13, 2010**

Copier Lease/Service Background Information:

Cedar Hill ISD signed a copy machine lease and service contract with Sumner Group, Inc., DBA "Datamax of Texas" in July of 2008 for 48 months as approved by the Board of Trustees. This contractual arrangement ends in June, 2012.

Cedar Hill ISD currently has 63 copy machines located on the various campuses and at the administration offices.

The District currently runs over 16 million copies per year.

Administrative staff began exploring cost effective ways of managing a growing copy volume due to curriculum changes (C-Scope) and the printing of benchmark materials and the possibility of adding the scanning feature for use with Skyward software to our existing office copy machines.

- Meetings were held between staff and Datamax to consider the feasibility of using our current fleet and the resulting budget impact.
- Price comparisons for projected high volume projects were compared using quoted prices from approved printing vendors, in house projections and outsourcing to Datamax.
- Pricing for scanners was obtained from an approved vendor.

These meetings and staff's evaluation of the impact of the growing volume on our current contract lead to the consideration of a cost savings offer from our current vendor. If the District were to procure a new contract for copy machines and service contract by RFP or from DIR or Purchasing Cooperative from any other potential vendor, the District would have a two-year buy out that must be included in the new contract. From past experience, staff feels that the District may not be able to obtain a cost effective proposal and that this may cost District more than our current contract pricing.

Option from current vendor:

The proposal would allow us to meet our District's needs, replace approximately ½ of our current fleet with new machines with additional features, and ***save District \$10k to \$12k per year, a total saving of \$40k to \$48k over four year period.***

Additionally, staff was presented with an aggressive proposal for outsourcing high volume projects to Datamax. The proposal is a feasible way to address our original task of managing the growing copy volume related to curriculum.

The reason Datamax is able to give us a cost saving proposal is that they receive a large quantity discount from Cannon Copy machine Co. and they are passing the savings to their customers.

The proposed contract will be with current vendor Sumner Group, Inc. DBA "Datamax of Texas", from DIR (state contract) and will be for 48 months beginning October 1, 2010 to September 30, 2014 for \$21,519.80 per month. The cost will be adjusted each year not to exceed CPI.

The proposed draft for Cedar Hill ISD is a cost-effective copier solution that falls within budgetary guidelines. Administration feels that such a scenario services the copier needs of District users. On the other hand, this draft does not accommodate "convenience" copiers or address the burden of an increased copy volume.

Please understand that the attached \$21,519.80 per month Datamax proposal is a good faith estimate only.

Actual cost is calculated based on:

1. Size and speed of the copier
2. Machine complexity (stapler, sorter, network card, hole-punch, etc.)
3. Number of actual copies run

Should the Board be potentially acceptable to this proposal, staff will bring a firm proposal for approval and signature to the October 10, 2010 meeting.

What happens if District chooses to finish out the term of the current contract and not sign the new contract?

- The District will lose the option of saving \$10k to \$12k per year for four years.
- There will be cost increase for the CPI for the year 2010-2011 and 2011-2012.
- The District will not be able to replace any existing copy machines to meet the needs of our end users.
- The District will have to purchase scanners for many campus offices.
- The District will **have to rent** a machine from Cedar Valley College for use by the Cedar Hill Collegiate High School.

Administration recommends requesting staff to bring the proposal for consideration to the October 10, 2010 meeting. No action is required to outsource high volume jobs to Datamax.

Because:

1. The District needs office copiers to have the capability of scanning documents.
 - a. Scanning supporting documents i.e. travel requests, quotes, and NCLB forms and attaching them to requisitions in Skyward allows a permanent, easily accessible record of these documents.
 - b. The District will save money by keeping electronic copies rather than printing and then storing paper copies.
 - c. The District will also become more efficient by accessing the documents online rather than transporting them between campuses and departments by courier.
2. The District needs an additional copier for use by the Early College Program at Cedar Valley College.
3. The District no longer needs the copier used by the former Even Start Program.
4. The District needs effective ways of managing a growing copy volume due to curriculum changes and the printing of benchmark materials and cost savings achieved can be directed to other needs of the District.

Making these changes will result in an increased productivity and will lower overall cost for the district by realigning equipment and changing the fleet to meet new needs and changes that are being made internally.