

Bill,

Thank you again for including me on this RFP and having an informative pre-bid conference today.

After the meeting, I came away with a few questions / requests.

Regarding the \$28,000 buyout with CopyPro. I am concerned that with those machines being at least 8 or 9 years old that these machines were either refinanced/ released or automatically renewed. Either way, with only 5 copiers and models that are that old, I feel that the buyout is very excessive and could prove to be a detriment to your county and your ability to receive a truly competitive and fair bid. \$28,000 is way more that those copiers are worth combined, even if service is included in the payment. If needed, I can prove where those machines are 8 to 9 years in age and also 5 machines that age would be valued at no more that \$6 to \$8,000 dollars. I feel that with the age of the copiers, these machines should have more than been bought and paid for. I say this with the intention of looking out for your best interest.

As I stated in the meeting, all these leases were executed without my involvement. The age of this equipment is the reason I want to include their replacement within this RFP. The "Equipment Payoff" of \$28,025.58 is the value provided by J&M Executive Leasing valid through 11/03/2017.

Again, regarding the CopyPro lease that involves the buyout. If you could, please provide me with a copy of the lease/ leases regarding the involved equipment. If you cannot find it (per your comments from the pre-bid conference), CopyPro would definitely have a copy of it. We would definitely need it before the responses are due and in time to factor in what we see after reviewing the lease document. This is something they should be able to scan over to you the day you request it. I have some ideas on how to help the county and avoid having to pay a buyout of that amount.

**The Equipment Payoff:**

<u>Lesae Number</u>	<u>Equipment</u>	<u>Department</u>	<u>Value</u>
BT-6537	CK451	Health	5,224.46
FC-6401	CKB33	Health	3,206.56
FC-6401	CKB36	Health	2,811.74
BT-1458	CK363	Health	3,309.54
BT-0138	CS25S	Day Reporting	1,751.63
SB-8806	CK360	Human Resources	11,721.65
		Total:	28,025.58

I do not have the leases readily available; however, I will request this information and post it at that time per proper protocol.

In regards to fees, etc. to consider. Some of my competitors in an attempt to provide the lowest "proposal" will have other fees that will be added after the fact, unless they are stated to be included in their proposal upfront. Shipping (UPS) charges for supplies (i.e. Toner, Waster Toner Bottles, etc.). Documentation charges regarding the set-up of a new lease. Property taxes. End of lease costs (buyouts as you are currently experiencing with CopyPro) and costs to return the equipment at the end of term. 25 machines at the average costs to return of \$400 (this is the rate some of them are charging). 25 x \$400 = \$10,000 in freight charges the county would be held responsible for. I would

definitely consider having these fees as included items so that the county receives a clean proposal with no additional fees and/or charges.

These items are addressed in the RFP under “General Requirements”, “Term/Termination”, “Delivery/Installation” and “Supplies/Maintenance/Parts/Labor”. Please include and address any additional savings for consideration your company offers in your proposal.

Finally, something relatively new in our industry is something called escalation. This is where some of my competitors will bid very low, but year over year for the term of the lease raise your payments anywhere from 15 to 20% annually. When speaking about escalation, I like to think of cable or satellite TV providers where they offer great deals to get your business, but raise your payments over time. This is a very common practice and something to be considered and careful of. I would recommend that you put in as an addendum or clause that states something like “at no time during the term of the contract will the price be increased or escalated in anyway. The price that is quoted will remain the same for the entire term unless equipment is added over the term.” This clause is for the county’s protection.

Part of the County’s evaluation process will be to look at the total cost of “ownership” over the term of the lease, including but not limited to the maintenance and additional cost ie. Taxes. Please clearly identify any and all cost throughout the lease term.

If you have any questions regarding this email, please feel free to call or email me. Also, if you would like to speak directly to some local counties, school systems, etc. that have experienced any or all of those fees, please let me know. I mention these fees because we do not charge or add additional fees to any of our quotes and never have.

I hope this email has been informative and will help you receive a clean response to this RFP. I would truly love to earn your business, but regardless, I would like to see you receive quotes that offers the county the best value and protection that can be offered.

Sincerely,

Jason Weeks

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