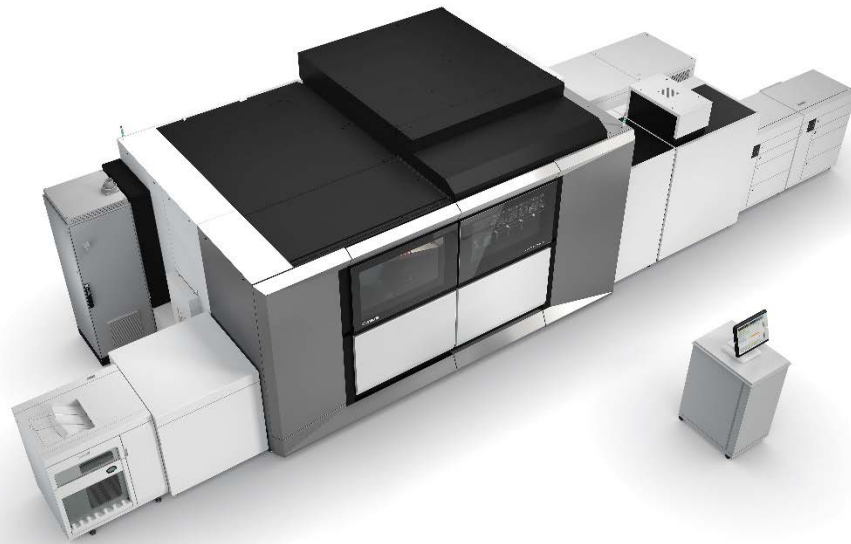


Contra Costa County Print & Mail

Complete Canon Sheetfed Proposal
May 21st, 2024



Rusty Davis
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CANON SOLUTIONS AMERICA

Contra Costa County Print & Mail
Scott Plaskeiwicz
Yashar Abdalnaby

May 21, 2024

Dear Scott and Yashar,

Thank you for the continuing support of Canon technology and the opportunity to provide you with this complete proposal for the Canon varioPRINT iX3200, the varioPRINT 6180 TPxp, and the imagePRESS V1000. Over the years, we have worked closely to show you the value of the Océ technology and on the following pages show why Canon is the leader in inkjet technology that can enhance Print & Mail for the years to come. With the changes in the industry and Canon's commitment to both sheetfed inkjet and toner technologies, the following proposal will help stabilize Contra Costa County Print & Mail operation for years to come.

Through our proved technology record and the goal of maximum uptime and print performance, we have been able to hit our goals while minimizing ink usage through three main technologies:

- **Environmentally controlled head gantry and printing path to control ink viscosity**
- **Pre-Fire technology allows for refreshing of the heads without firing ink**
- **Proven Kyocera heads, with our patented water jacket technology, using the smallest droplet size and only using a maximum of .000127ml per Letter page of refresh dots**
- **Proven Gemini Technology for**

The Canon varioPRINT and imagePRESS technology will transform Print & Mail for the next generation of solutions by providing the platform and expertise that will keep your business expanding for the years to come. As you know, and have witnessed, our products stand the test of time.

Kind regards,

Rusty Davis

Why Canon and the varioPRINT iX3200?

Company Strength:

- Consistently #1 in Inkjet Market share (both rollfed and sheetfed), **10 years running**
- Canon is completely debt free AND 8% of Total Revenue invested in R&D each year
- **Top 5 in Patents...37 years running**

iX Series Productivity:

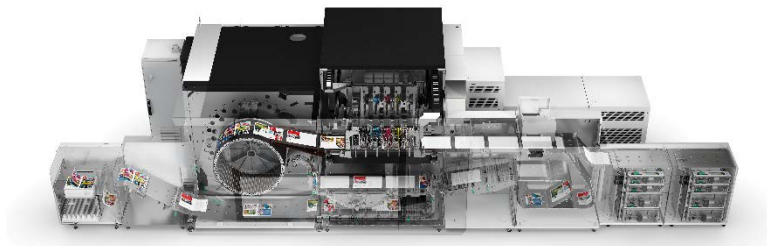
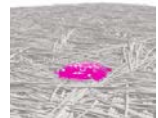
- 320 Duplex Letter Impressions per Minute.
- 95% Uptime over 24-hour shift across
- Duty Cycle of up to 10M with Avg. impressions between service calls over 1.2M per month

Versatility and Flexibility:

- Print on medias from 60 to **350gsm** (14pt)
- **Media Flexibility** include Offset Coated, Silk, and Uncoated stocks. **No premium paper needed!**
- State of the Art Media Lab offering paper stock testing and analysis to customers at **no cost**
- Print on tabs, synthetic stocks, labels, pre-punched, NCR, perforated stocks & pressure seal
- Multiple in-line finishing options including remittance/dynamic perforating, perfect binding, booklet-making and more.

Technologies Enhanced and Simplified:

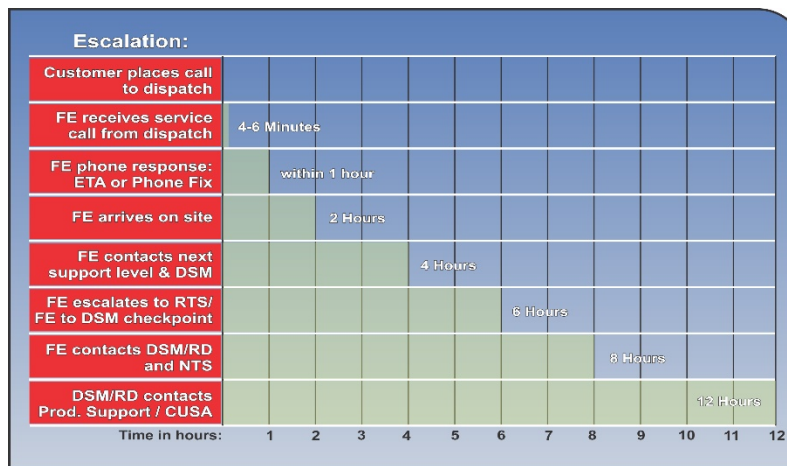
- **Automated maintenance:** Increased uptime for up to 7 hours of continuous running before automated maintenance is required. Head cleaning up to 90 seconds is all that is required and is completely hands free!
- **ColorGrip** enables excellent image quality results on commodity offset text stocks. No expensive treated or coated stocks required.
- **Kyocera** industry standard heads, with advanced water jacket technology to control droplet size (viscosity) and enhance smoothness (reduced piezo vibration)
- **Sheet Entry Detection** utilizes dual 3D cameras to detect and deflect any defective sheets to increase uptime and prevent major quality issues (head strikes)
- **Enhanced 2-Step Drying solution:** Hot Air Impingement Unit removes carrier (water) from ink without disrupting stock strength passes sheets through to Post fixation Unit to deliver robust, flat sheets. Cold Air Impingement Unit keeps sheet cool enabling for printing of up to 350 gsm on **GLOSS** coated *offset* stocks at **FULL RATED SPEED**.



Service and Support: a Proactive Approach

Our state-of-the-art remote device management systems enable us to benchmark, track, and analyze the performance of your printers to help ensure optimum productivity.

- Monitors device activity and proactively dispatches service personnel.
- Predicts problems, pushes updates, and deploys service—all behind the scenes with no effort on the customer's part.
- Service Infrastructure in place today to support 24x7, 2-hour response.
- Tenured and Experienced Canon PPS Inkjet service engineers
- Service Management metrics measure machine uptime vs. parts usage/cost
- TrueSupport Inkjet Deployment Team insures ramp up to full production in 30 days or less



NOTE: A complement of high usage parts will be kept on site with your system to facilitate the fastest repair time. These parts, along with parts carried in the Service engineers' vehicle, make up 70% to 80% of the parts used. Less frequently used parts are stored at the Northern CA parts drop and Columbus, OH Parts Depot. When needed, parts will be shipped 'next flight' to minimize downtime.

Sophisticated Parts Management System

Automatic part replenishment leverages a sophisticated part replenish system to automatically supply field technicians with high use parts. Parts are re-ordered and distributed to field technicians based on the individual technician's usage patterns. This system accounts for changes in the technician's model assignments and ensures that the technician will always have the parts he or she uses on a regular basis. Field management monitors this process carefully through a series of reports and adjusts each technician's supply levels as necessary.

Another way Canon Solutions America ensures all technicians have the right parts at the right time is the use of a parts scanning solution, which is currently used in our regional parts warehouses. Handheld scanners are used to receive parts from our vendors, fill orders, and ship parts to the field technicians. This scanning solution is "home grown" which allows Canon Solutions America to design and implement a parts delivery workflow which has proven to reduce errors and increase the productivity of our supply chain.



We measure every area of our service performance and our support personnel are held accountable for statistics such as speed of repair, quality of repair, and overall customer satisfaction.



We continuously monitor machine performance such as fleet uptime, failures between service visits, energy efficiency, etc.



These stringent performance standards and our commitment to continuously improve our process enables us to provide you with the highest quality of service and help ensure your ultimate satisfaction.

TrueSupport

Canon TrueSupport – Excellence in Inkjet Technology Deployment

Canon TrueSupport provides a broad range of services to help ensure that your new Océ inkjet printing system is installed and operates to meet manufacturer specifications and that you receive the necessary training and support to run and maintain your new hardware and software. Canon TrueSupport is included with the purchase of your new inkjet printing system and covers pre-installation planning, installation and implementation, and post-installation application onboarding.

Complemented with Project Management

A dedicated Project Manager and Technology Team will work with you throughout the installation process. Team member specialists include service representatives, product engineers, project managers, color specialists, post-processing engineers, and training experts. This team coordinates and monitors the installation tasks, establishes timelines, assigns resources, and works with your staff to provide a smooth system implementation.

At the outset of the planning process, the Project Team meets with you to understand your workflow and determine how best to integrate your processes with your new Océ hardware and software. The Project Team then works with your team to develop a Plan of Approach, which describes what Canon Solutions America is going to do, how we are going to do it and when it is going to get done. This Plan of Approach, agreed to jointly by you and Canon Solutions America, establishes the guidelines, task ownership, acceptance criteria, and milestones of your installation in order to measure its progress and ensure your expectations are met.

Complete Color Management Systems Training

Canon Solutions America makes managing your color workflow and maintaining your equipment's color standards easy and intuitive. Color specialists work with you to analyze and review your current color management system. The tools and training necessary for color resource analysis and modification, paper linearization and color matching, and recommended optimization procedures will be provided. Canon Solutions America also includes operator and color workflow training to best prepare your organization for the new printing system.

All Inclusive Implementation and Installation Services

Once you have made a commitment to purchase Océ inkjet systems, we provide the following installation, testing, and training services:

- Perform a Site Survey prior to installation to define, plan, and prepare the site for all physical and environmental requirements
- Document the deployment plan and establish your consensus through the Plan of Approach document
- Install and Integrate all hardware, including controller setup, according to the equipment configuration, and plan and perform initial testing
- Perform interconnectivity testing and fine tuning, and integrate the entire workflow
- Complete all onsite system and application testing and acclimation based upon the defined Acceptance Criteria Paper Selection and Testing Canon Solutions America recommends a series of paper stocks based upon your needs or can test your target paper stocks to establish their color optimization and linearization and ensure suitability for inkjet technology. Our media experts analyze paper stocks with the printer to ensure that applications are optimized for the best print quality with your new printing system.
- Operator Training for up to 4 operators for each of 3 shifts
- Applied Inkjet Color Training (AIC) class for up to 6 participants to focus on integrating your press

Application Onboarding Assistance

Canon TrueSupport does not end once your printing system installation has been accepted and the equipment is operating. Canon Solutions America mentors your team for 45 days and beyond as you migrate print to the new platform by providing:

- Regular Project Team reviews of system and equipment performance
- On-site activities with the Project Team specialists to build skills on color management, workflow, and business processes
- Mentoring as your team builds skills and encounters challenges or opportunities to increase print volumes
- Recommend additional services as you optimize your processes over time
- After initial phase, we continue to support volume building efforts with regularly scheduled calls

Additional Services

In addition to the Canon TrueSupport program included with every equipment purchase, Canon Solutions America offers a large variety of additional services, training, and hardware and software tools to our customers at an additional cost. These services include Process/Workflow Re-engineering, Advanced Application Design, Customized Color Management Training and more.

A Team of Highly Trained and Experienced Color Management Professionals

The true measure of any company is the resources it makes available to its customers and their capabilities to provide support and innovative solutions. Canon has expended considerable resources to ensure that our people are well trained and equipped to support our customers. All field deployed analysts have been through extensive color fundamentals and color management training. Selected field analysts with the highest skill level have been dedicated to the support of our customers in the area of full color. The headquarters team has also been highly trained, and a group dedicated to the support of our customers utilizing full color has been staffed and equipped with all the tools needed to ensure their success.

A media testing lab has been created and staffed and tasked with testing new media entering the market that will continually improve the image quality while also working towards minimizing the operational costs of our devices.



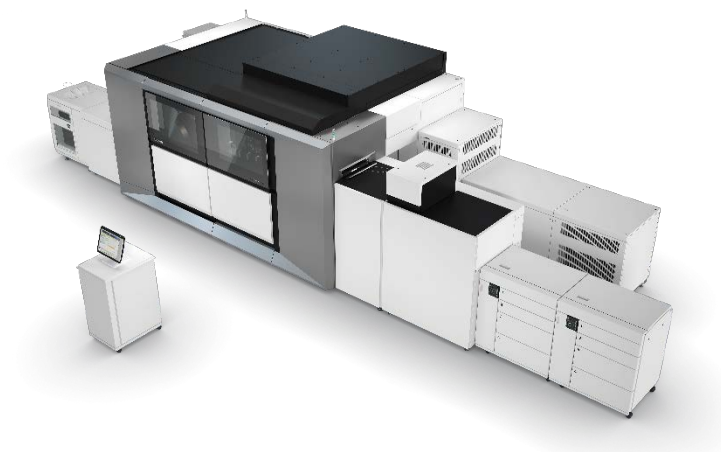
Paper Evaluation for the varioPRINT iX Series

As of December 2023, there are over 1000 Evaluated papers listed on the Evaluation list for the iSeries + system. The list is provided to all Canon inkjet customers and is maintained through the thINK Forum website. This provides all installs the power to leverage not only Canon's Media Lab, but any other Canon inkjet customer who has also evaluated paper options. Through this network we learn the 'best in class' practices to provide optimum results for each and every paper available.

Current Papers from Kelly Paper

Current Concord Copies Paper Stocks			
Weight	Name	Size	Features
20#	New Future Multi (Veritiv)	Letter	white bond
20#	Hammermill	Letter	colored bond
24#	Hammermill	Letter	white and colored bond
28#	Hammermill	Letter & Ledger	Hammermill color copy white
60#	Hammermill Accent Opaque		white uncoated text
67#	Exact Vellum Bristol	Letter	white and colored vellum Bristol
90#	Exact Index	12x18 / 13x19	white and colored index
100#	Kelly Gloss	12x18 / 13x19	white gloss text
100#	Kelly Gloss	12x18 / 13x19	white gloss cover
110#	Exact Index	Letter	white and colored index

Transition to varioPRINT iX3200 Paper and options with Kelly + Spicers





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Current Systems and Proposed Offering

As of April 2024, Print & Mail has the following systems installed and targeted:

- Xerox Baltoro
- Xerox Nuvera 120
- Canon imagePRESS C10000
- Canon varioPRINT 6180 TP

Snapshot of equipment age and issues:

- Xerox support for manufacturing is ceasing 6/30/2024
- Xerox ability to support is under question
- imagePRESS C10000 is past useful life
- Nuvera 120 is expensive to operate for an owned system

Solution for optimum performance for the County and Print& Mail:

1. Canon varioPRINT iX3200 for High Volume Color plus:
 - a. **Replace Baltoro**
 - b. Flexibility to run 30% and up to 100% Post Waste Consumed medias
 - c. Run Gloss, Dull, Satin, Uncoated and structured media
 - d. Backup monochrome for when Baltoro/ Nuvera is in operation
2. imagePRESS V1000
 - a. **Replace C10000**
 - b. Primary color system for heavy gloss and color overflow
3. varioPRINT 6180 TPxp
 - a. **Replace Nuvera 120**
 - b. Latest toner technology from Canon
 - c. Redundant monochrome system for load balance
4. varioPRINT 6180 TP
 - a. **Keep** existing Lease contract in place
 - b. Consider **upgrading** existing TP to TPxp system (new toner + more)
 - c. Consider **upgrading** service team to CSA Direct Service & Support
5. FreeFlow Core
 - a. Continue current plan and cost structure
 - b. All new equipment will connect via Canon's DP Link license

Included Items:

- Buyout of Xerox Baltoro contract (estimated 18 months remaining at \$326,000)
- Promotion Incentive and Removal of the Xerox Nuvera 120 (\$20,000 value)
- Canon Trade in of the imagePRESS C10000 (must be returned to Dealer)
- Facility Improvement or Credit of **\$100,000**
- First 3 Months MMC Covered by Canon (over \$9,500 in savings)
- CSA Service: Corporate Plan: Letter = ½ Ledger!



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Acquisition Lease Costs with Canon Financial Services

CFS Lease items included:

- varioPRINT iX3200
- varioPRINT 6180
- imagePRESS V1000
- Building Improvement (or Account Credit)
- Buyout of Xerox Baltoro + Removal
- Trade in and pickup of Nuvera
- Trade in of imagePRESS C10000 (Dealer Pickup)
- OMNIA / UCAL Contract #2020002755
- Billing in Arrears
- 84- mo. Contract to own (\$1 purchase)

CFS Monthly Lease: **\$26,729.00 /mo.**

Print & Mail's continuing lease/ maintenance costs:

- Current Canon varioPRINT 6180 Titan: \$3,481/ mo.
- Current Xerox FreeFlow Core Software: \$1,290/ mo.

Print & Mail's Monthly Grand Total: **\$31,864.00 /mo.**



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Recurring Service Costs

Monthly Maintenance Charge: MMC

- varioPRINT iX3200: \$2,200/ mo.
- varioPRINT 6180: \$992/ mo. (each)
- imagePRESS V1000 **\$0/ mo.**
- Coverage Model: 5x8
 - Monday- Friday
 - 8am-5pm
 - 4-hr. Average Response Time

Monthly Usage Charge: MUC

- | | | |
|-------------------------------|-----------------|----------------|
| • iX3200 Ink Out Plan: | <u>Letter</u> | <u>Ledger</u> |
| ○ Color Charge: | \$0.004 | \$0.008 |
| ○ Mono Charge: | \$0.0012 | \$0.002 |
| ○ Ink excluded | | |
| • varioPRINT 6180 Corp. Plan | <u>Letter</u> | <u>Ledger</u> |
| ○ Mono charge | \$0.0028 | \$0.0056 |
| ○ Toner included | | |
| • imagePRESS V1000 Corp. Plan | <u>Letter</u> | <u>Ledger</u> |
| ○ Color Charge: | \$0.017 | \$0.034 |
| ○ Mono Charge: | \$0.006 | \$0.012 |
| ○ Toner included | | |

Supply Costs: Ink

- iX Inks:
 - C, M, Y \$62.78 / liter
 - K \$45.13/ liter
 - ColorGrip \$31.88/ liter
- MISC Cleaning items: **included**
- Freight not included
- 3 month MMC @ \$0



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Print & Mail: Cost Matrix

New Canon leases with CFS and Monthly recurring charges.

Current Situation				
	Leasea	MMC	Usage	Ink
Baltoro	\$16,500.00			
FF Core	\$1,289.00	\$3,250.00	\$2,900.00	\$2,500.00
MISC	\$383.00	\$116.00		
Bourg	\$1,250.00			
		\$650.00		
Nuvera	\$0.00			
C10000	\$4,651.00	\$0.00	\$2,800.00	\$0.00
VP6180	\$3,840.39	\$0.00	\$4,500.00	
		\$0.00	\$3,025.00	\$0.00
Subtotal	\$27,913.39	\$4,016.00	\$13,225.00	\$2,500.00
Grand Total			\$47,654.39	

Complete Canon Solution					
	Lease	MMC	MUC K	MUC CMYK	INK est.
iX3200	\$ 22,360	\$ 2,200	\$ 571	\$ 968	\$ 2,000
2nd 6180	\$ 2,850	\$ 992	\$ 992		
V1000	\$ 1,525	\$ -	\$ -	\$ 2,542	
1st 6180	\$3,840.39	\$992.00	\$1,787.80		
FF Core	\$1,289.00	\$116.00			
Pprepare?	NOT YET				
BUYOUT	Included				
Buildout	Included				
Subtotal	\$ 31,864	\$ 4,300	\$ 3,351	\$ 3,510	\$ 2,000
Grand Total				\$ 45,025	
Yearly Savings				\$ 31,554	



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