

## Kyocera MFD Questions and Answers

1. Is our agency required to use the Kyocera MFD contract?

It is the policy of the State to centralize printing operations under the control of the Department of Administration. Therefore, by statute, Section 2-17-301(1), MCA, the acquisition of all printing and duplicating equipment in the capitol area (10-mile radius) must be approved by State print and Mail.

The State Procurement Bureau cannot process a requisition without this approval. The justification must be specific and include detailed financial information on the cost benefits to the State. The acquisition of printing equipment by agencies must be shown to be in the State's best interest before approval will be granted.

If you are not located within the ten-mile radius of the Capitol complex agencies are not required to utilize the Kyocera MFD contract but it is recommended. Special pricing has been acquired to support this program and is only available to the state agencies through this contract.

2. What is the Kyocera Multi-Functional Device Contract?

The Kyocera Multi-Functional Device (MFD) Contract is a program that allows Montana state agencies to purchase or lease a MFD (also referred to as a copier) without going through the steps of a limited solicitation, Invitation for bid (IFB) or a request for proposal (RFP).

The intent of this program is to streamline the procurement process, eliminate multiple service agreements and to help agencies identify how they can reduce their environmental footprint while reducing costs for their agencies office printing needs.

3. Who can use the MFD contract?

Any state agency can utilize this contract regardless of location within Montana. 360 Office Solutions (Contractor) offers a 2-hour, on-site response time for most areas throughout Montana.

4. How long are the leases for?

Lease terms are for 36 months. At the end of the lease your agency will have the option to purchase the device for fair market value (typically 20% of the original purchase price) or enter a new lease agreement with new equipment. If purchase you will remain covered by the maintenance/service part of this program (built into the click charge).

The rate will increase slightly to compensate for a used device that may require more maintenance than a new device. Per the program contract, your click rate will not increase more than 3% annually.

5. What is included if I leasing a Kyocera device from the MFD contract?

If leasing a device MFD device your agency will have a monthly lease payment and will be bill for clicks (copies) used each month. The click charges include all maintenance, service calls, toner, and used toner bottles. It does not cover paper or staple.

6. Does State Print and Mail offer a recycling program for the Kyocera devices?

State Print and Mail will accept used toner cartridges during the **State of Montana**

**Quarterly Recycling Drive** held in the months of January, April, July & October.

Agencies can also give used toner cartridges to any 360 Office Solutions representative when they are in the area to preform maintenance or service on your Kyocera devises.

7. What happens if an agency no longer needs a device that is under a lease?

The agency must buy out the remaining lease for example;

Original lease 36 months (100.00 per month x 36 = \$3600.00 total value)

Agency has made 12 payments equaling \$1200.00

Remaining lease amount = \$2400.00 this amount is the buyout amount that the agency is responsible for.

If advanced notice is given 360 Office Solutions will try to find another agency to take over the lease. If another agency can be found the original leasing agency will only be responsible for the costs from US Back to transfer the lease to the new agency (typically a \$450.00 charge).

8. Can we purchase a Kyocera device from this contract?

Agencies have the option to purchase any device listed in the contract up front. If leased agencies have the option to purchase the device at the end of the lease for fair market value (estimated at 20% of original purchase price).

9. Is there a maintenance contract on the leased or purchased devices?

Under this contract the click rates cover all maintenance, service call and toner. There is no need for additional service agreements.

10. Who do we make payments too?

To ensure that your payment is credited to the correct invoice, be sure to use US Bank vendor ID number 151654 along with address 1 and location 1 when the voucher is created.

The corresponding address for US Bank vendor ID 151654 is:

**USBANCORP EQUIPMENT FINANCE INC.  
P.O. BOX 790448  
ST LOUIS, MO 63179**

Please reference your Invoice Number and your Customer Credit Account Number located on the invoice.

11. Are the Kyocera leases considered a capital lease or a operating lease?

The State Accounting Bureau has reviewed the present value requirement (criteria #4 in MOM 335) for capital leases and determined that the Kyocera leases with US Bank are operating leases. Agencies will need to list these leases on their individual operating lease schedules.

12. Can we add additional accessories not included in the original lease i.e. 3-hole punch or fax capabilities?

Agencies can add additional accessories not included in the original lease. The agency will be required to pay the entire face value of the lease for the additional accessory only.

Example;

2/3-hole punch – monthly lease payment amount based on 36 month lease - \$6.97  
36 month lease x \$6.97 = \$250.92 total lease value.

Agency pays a onetime payment of \$250.92 after installation, monthly lease payment for the device will remain the same.