



<u>Terms and Conditions of Use Introduction</u>	<u>Client Information</u>	<u>Network Cost Savings</u>	<u>General IP Telephony Benefits</u>	<u>Avaya-Specific IP Telephony Benefits</u>	<u>System Maintenance & Leasing</u>	<u>Lease Scenario</u>
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Cost Benefit Summary

The School District of Palm Beach County

Benefits Summary

Required Rate of Return

	Year 1	Year 2	Year 3	Year 4	Year 5
Grand Total Network Cost Savings	\$ 1,515,540	\$ 1,515,540	\$ 1,515,540	\$ 1,515,540	\$ 1,515,540
TOTAL General IP Telephony Benefits	\$ 106,898	\$ 631,898	\$ 506,898	\$ 106,898	\$ 106,898
TOTAL Avaya Specific Benefits	\$ 119,884	\$ 119,884	\$ 119,884	\$ 119,884	\$ 119,884
Displaced Systems Costs no longer incurred \$ 5,490,960	\$ 1,098,192	\$ 1,098,192	\$ 1,098,192	\$ 1,098,192	\$ 1,098,192
GRAND TOTAL Annual Benefits	\$ 2,840,515	\$ 3,365,515	\$ 3,240,515	\$ 2,840,515	\$ 2,840,515



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Cost Benefit Summary

The School District of Palm Beach County

Costs - Benefits Analysis

LEASE ANALYSIS		60 Month Lease for \$		9,500,000		
	Beginning Y1	Year 1	Year 2	Year 3	Year 4	Year 5
New Systems Costs	\$ 158,333	\$ 2,487,196	\$ 2,487,196	\$ 2,487,196	\$ 2,487,196	\$ 2,328,862
Converged Network Transmission Savings		\$ 1,515,540	\$ 1,515,540	\$ 1,515,540	\$ 1,515,540	\$ 1,515,540
General IP Telephony Benefits		\$ 106,898	\$ 631,898	\$ 506,898	\$ 106,898	\$ 106,898
Avaya Specific Benefits		\$ 119,884	\$ 119,884	\$ 119,884	\$ 119,884	\$ 119,884
Displaced Systems Costs (now savings)		\$ 1,098,192	\$ 1,098,192	\$ 1,098,192	\$ 1,098,192	\$ 1,098,192
Net Benefits	\$ -158,333	\$ 353,319	\$ 878,319	\$ 753,319	\$ 353,319	\$ 511,652
Cumulative Benefits by Year	\$ -158,333	\$ 194,986	\$ 1,073,304	\$ 1,826,623	\$ 2,179,942	\$ 2,691,594
Net Present Value by Year at 15% rate of return	\$ -158,333	\$ 148,900	\$ 813,036	\$ 1,308,355	\$ 1,510,366	\$ 1,764,748
IRR by Year		123%	272%	294%	297%	298%

PURCHASE ANALYSIS		Beginning Y1	Year 1	Year 2	Year 3	Year 4	Year 5
New Systems Costs	\$ 9,500,000	\$ 587,196	\$ 587,196	\$ 587,196	\$ 587,196	\$ 587,196	\$ 587,196
Converged Network Transmission Savings		\$ 1,515,540	\$ 1,515,540	\$ 1,515,540	\$ 1,515,540	\$ 1,515,540	\$ 1,515,540
General IP Telephony Benefits		\$ 106,898	\$ 631,898	\$ 506,898	\$ 106,898	\$ 106,898	\$ 106,898
Avaya Specific Benefits		\$ 119,884	\$ 119,884	\$ 119,884	\$ 119,884	\$ 119,884	\$ 119,884
Displaced Systems Costs (now savings)		\$ 1,098,192	\$ 1,098,192	\$ 1,098,192	\$ 1,098,192	\$ 1,098,192	\$ 1,098,192
Net Benefits	\$ -9,500,000	\$ 2,253,319	\$ 2,778,319	\$ 2,653,319	\$ 2,253,319	\$ 2,253,319	\$ 2,253,319
Cumulative Benefits by Year	\$ -9,500,000	\$ -7,246,681	\$ -4,468,363	\$ -1,815,044	\$ 438,275	\$ 2,691,593	\$ 2,691,593
Net Present Value by Year at 15% rate of return	\$ -9,500,000	\$ -7,540,592	\$ -5,439,784	\$ -3,695,184	\$ -2,406,842	\$ -1,286,544	\$ -1,286,544
IRR by Year		#NUM!	-33%	-10%	2%	9%	9%



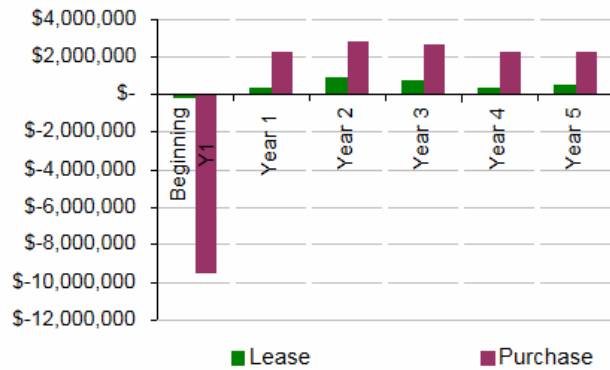
Terms and Conditions of Use Introduction	Client Information	Network Cost Savings	General IP Telephony Benefits	Avaya-Specific IP Telephony Benefits	System Maintenance & Leasing	Lease Scenario
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Cost Benefit Summary

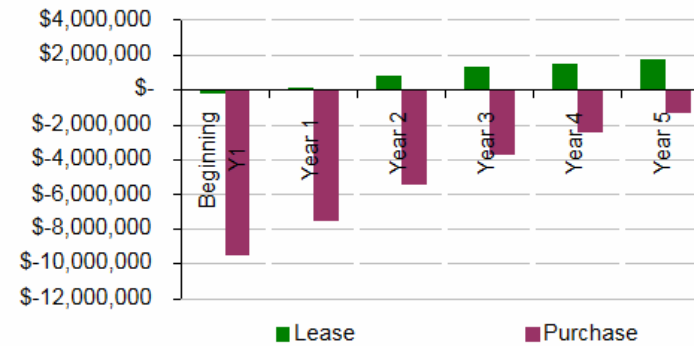
The School District of Palm Beach County

Graphical Presentation of Costs - Benefit Summary

Net Cashflow by Year



Cumulative NPV by Year



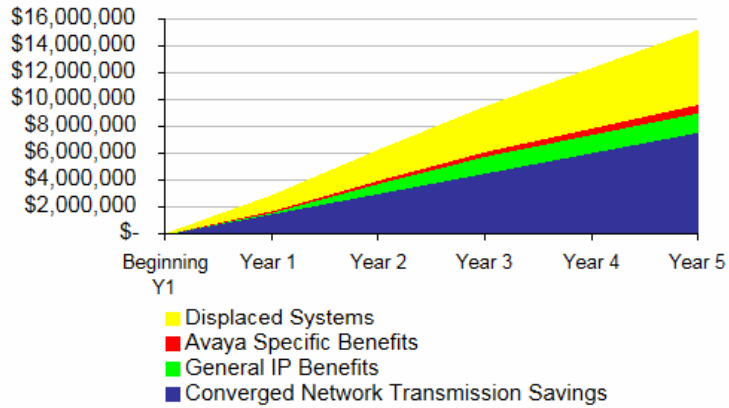


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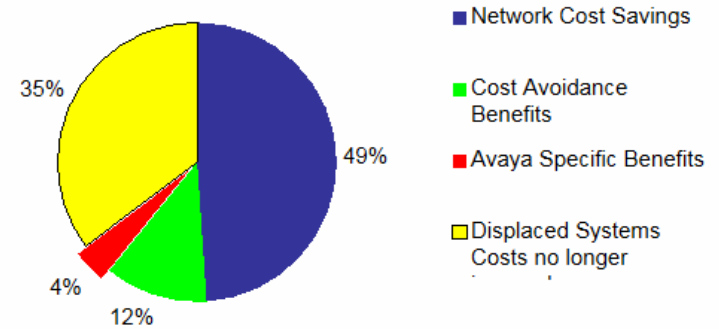
Cost Benefit Summary

The School District of Palm Beach County

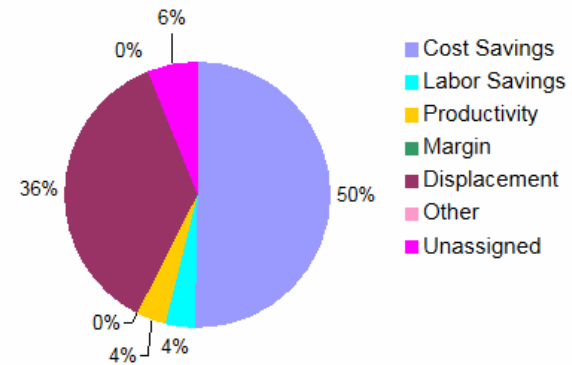
Cumulative Saving by Year



Source of Benefits



Types of Benefits





Terms and Conditions of Use, Introduction	Client Information	Network Cost Savings	General IP Telephony Benefits	Avaya-Specific IP Telephony Benefits	System Maintenance & Leasing	Lease Scenario
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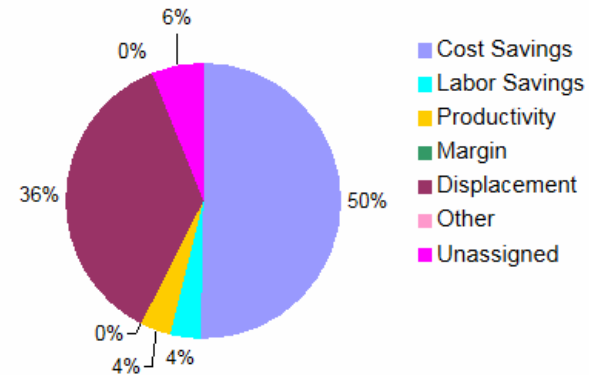
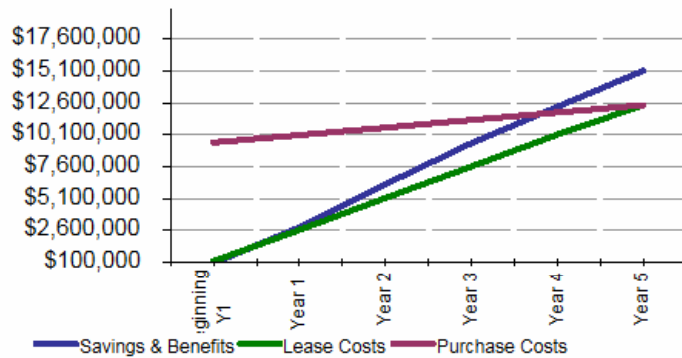
Cost Benefit Summary

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Types of Benefits

Estimation of Payback Period



Crossing of Blue Line (Savings & Benefits) with Green Line is Payback period for Lease Scenario
 Crossing of Blue Line (Savings & Benefits) with Purple Line is Payback period for Purchase Scenario