

Embroidery Machines & Software purchase request

The South Dakota Women's Prison has been providing embroidery services since 2001 to state departments and the legislature. Customers include; DOC, DOH, DOT and GFP. They are currently behind on orders due to the embroidery machines being inoperable. Last year there was an attempt to fix one of the machines that required a new motor unit. However; due to the age of the machine, no parts could be located. The second machine has been repaired numerous times and now requires a technician from Iowa to diagnose and repair issues with the machine. The technician charges a minimum visit fee of \$1,000, plus parts and labor to complete the repair. This machine has had the tensiometer replaced five times, with repair costs ranging from \$700 - \$1,600. With regular maintenance, the life expectancy of a commercial embroidery machine is 18-20 years. Therefore, it is no longer cost effective to have the second inoperable machine repaired.

We are requesting to purchase (2) GEM – 1502 Embroidery Machines. The GEM – 1502 machines are two-head units that can produce the same item on each head or have an overlapping sew field (so you can connect designs). They come equipped with drop tables and a tubular arm system for caps. Total cost for these machines with software and shipping is \$43,900. We also request to include the embroidery operation located at the South Dakota Women's Prison in the Garment/Silk-Screen Shop of Pheasantland Industries (PI). An embroidery machine at the Mike Durfee State Prison in Springfield is already part of the Garment/Silk Screen PI shop. Pheasantland Industries (the State's Correctional Industries) does not create a taxpayer burden as it is self-funded. By including the Pierre embroidery operation in PI, Pheasantland Industries would be responsible for covering the costs of these machines as well as future operational costs.

The revenue generated from the Pierre based embroidery unit is as follows: \$11,603 to date in FY 2019, \$36,425 in FY2018, and \$39,377 in FY 2017. This revenue is currently deposited into the general fund. The decline noted in FY 2019 is due to the machines being out of service. However, if you take the average revenue of FY 2017 & 2018, it would take slightly over a year to pay for the new equipment based on those sales. It should be noted that the typical time used to estimate return on such purchases is between 3 and 5 years.

The Corrections Commission will need to approve the expenditure of funds for the machinery purchase necessary to include the Pierre based embroidery operation in the PI operation.

Current Orders Outstanding Onsite

48 Hats – DOC

288 Hats – GFP

136 Hats – SDWP

24 Shirts – GFP

1 Shirt – LRC

11 Blankets – Pierre FD

7 Blankets – Risk Management

31 Scrubs – DOH

50 Shirts – Parole Services

Current Orders Outstanding Offsite

Unknown amount Hats – DOA

288 Hats, unknown amount Coats & 1,000 Shirts - GFP

GFP has orders for every season. Above is their Spring order.

<i>Meistergram GEM 1502 Qty 2</i>	<i>\$42,000</i>
<i>S&S Embroidery Studio Software</i>	<i>\$1,500</i>
<i>Freight</i>	<i>\$400</i>
	<i>-----</i>
<i>Total</i>	<i>\$43,900</i>