



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 10.1a

Meeting Date: April 6, 2017

Subject: Approval of Grants, Entitlements, and Other Income Agreements
Ratification of Other Agreements
Approval of Bid Awards
Approval of Declared Surplus Materials and Equipment
Change Notices
Notices of Completion

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: _____)
- Conference/Action
- Action
- Public Hearing

Division: Business Services

Recommendation: Recommend approval of items submitted.

Background/Rationale:

Financial Considerations: See attached.

LCAP Goal(s): Safe, Emotionally Healthy, Engaged Students; Operational Excellence

Documents Attached:

1. Grants, Entitlements, and Other Income Agreements
2. Expenditure & Other Agreements
3. Recommended Bid Awards – Facilities Projects
4. Change Notices – Facilities Projects

<p>Estimated Time of Presentation: N/A Submitted by: Gerardo Castillo, CPA, Chief Business Officer Kimberly Teague, Contract Specialist Approved by: José L. Banda, Superintendent</p>

GRANTS, ENTITLEMENTS AND OTHER INCOME AGREEMENTS - REVENUE

<u>Contractor</u>	<u>Description</u>	<u>Amount</u>
<u>ADULT EDUCATION</u>		
A17-00005.1 Sacramento Employment & Training Agency (SETA)	7/1/16 – 6/30/17: Augmentation to Workforce Innovation and Opportunity Act Grant to cover costs associated with increase in minimum wage. Grant provides services to Out-of-School Youth participants at Charles A. Jones Business and Education Center.	Original amount =\$165,230 Augment amount =\$2,132 New amount =\$167,362

SPECIAL EDUCATION

A17-00071 California Department of Education	7/1/16 – 9/30/18: Preschool Local Entitlement Grant funded through the Individuals with Disabilities Education Act, Part B. This annual entitlement supports preschool age children with severe disabilities.	\$758,210 No Match
A17-00072 California Department of Education	7/1/16 – 9/30/18: Federal Preschool Grant per the Individuals with Disabilities Education Act, Part B. Funding supports certificated and classified staff who assess, evaluate, and provide instruction to preschool age children. Children are referred for evaluation by preschool staff. This grant also supports multi-cultural intervention at the preschool level.	\$264,614 No Match

EXPENDITURE AND OTHER AGREEMENTS

<u>Contractor</u>	<u>Description</u>	<u>Amount</u>
<u>BUSINESS SERVICES</u>		
SA17-00438 Crowe Horwath	2/6/17 – 12/31/17: Audit of district financial statements for the year ending June 30, 2017; as well as audit of financial statements of Measures Q & R General Obligation Bonds.	\$97,500 General Funds

FACILITIES SUPPORT SERVICES

SA17-00428 SyTech Solutions	4/1/17 – 12/31/17: Scan and electronically organize the archive records of the Facilities Support Services Department.	\$93,100 Deferred Maintenance Funds
--------------------------------	--	--

TECHNOLOGY SERVICES

R17-05275 AMS.Net	Upgrade of existing Lightspeed Solution – full 10G of sustained traffic with failover. Web content filter hardware upgrade supporting increased bandwidth and access to schools and district offices.	\$132,338 General Funds
----------------------	---	----------------------------

APPROVAL OF DECLARED SURPLUS MATERIALS AND EQUIPMENT

ITEM	SITE/DEPARTMENT	TOTAL VALUE	DISPOSAL METHOD
Eight School Buses. Buses do not meet California Air Resource Board regulations and cannot legally be driven in California.	Transportation Services	\$2,500	Surplus (auction)

RECOMMENDED BID AWARDS – FACILITIES PROJECTS

Bid No: No. 425, E-Rate 20 Network Upgrade
Bids received: March 20, 2017
Recommendation: Award to AMS.Net
Funding Source: E-Rate Federal Funds (Measure Q Bond Funds)

BIDDER	BIDDER LOCATION	AMOUNT
AMS.Net	Livermore, CA	\$4,687,358
Walker Telecom	Wheatland, CA	\$4,731,052
AAA Network	Buena Park, CA	\$5,604,367

CHANGE NOTICES – FACILITIES PROJECTS

The following change notice is submitted for approval.

PROJECT: Core Academic Renovations at C.K. McClatchy High School

CONTRACTOR: Clark & Sullivan Construction

Change Order No.1: Unforeseen Site Conditions

Initiated by: District, Sacramento Municipal Utility District (SMUD)

Description:

1) Abatement of unforeseen friable asbestos discovered throughout the raised concrete foundation crawlspace and re-insulation of piping (\$418,105).

2) SMUD is requiring the District to perform certain campus-wide upgrades to the electrical distribution system (\$308,246).

Change Order Subtotal:	\$726,351
Original Contract:	\$15,042,806
Previously Authorized Change Orders:	\$0
New Contract Amount / Total Change Order %:	\$15,769,157 / 4.8%



Crowe Horwath LLP
 Independent Member Crowe Horwath International
 400 Capitol Mall, Suite 1400
 Sacramento, California 95814-4434
 Tel 916.441.1000
 Fax 916.441.1110
 www.crowehorwath.com

February 16, 2017

Mr. Gerardo Castillo
Chief Business Official
Sacramento City Unified School District
5735 47th Avenue
Sacramento, California 95824

Dear Mr. Castillo:

This letter confirms the arrangements for Crowe Horwath LLP ("Crowe" or "us" or "we" or "our") to provide the professional services discussed in this letter to Sacramento City Unified School District ("District, etc." or "you", "your" or "Entity" or "Client") for the year ending June 30, 2017. The attached Crowe Engagement Terms is an integral part of this letter, and its terms are incorporated herein.

AUDIT SERVICES

Our Responsibilities

We will audit and report on the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the District for the period indicated.

In addition to our report on the financial statements, we plan to evaluate the presentation of the following supplementary information in relation to the financial statements as a whole, and to report on whether this supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

- Combining and Individual Fund Financial Statements and Schedules
- District Organization
- Schedule of Average Daily Attendance
- Schedule of Instructional Time
- Schedule of Expenditures of Federal Awards
- Reconciliation of Unaudited Financial Report with Audited Financial Statements
- Schedule of Charter Schools

In addition to our report on the financial statements, we also plan to perform specified procedures in order to describe in our report whether the following required supplementary information is presented in accordance with applicable guidelines. However, we will not express an opinion or provide any assurance on this information due to our limited procedures.

- Management's Discussion and Analysis
- Budgetary Comparison Schedules

Mr. Gerardo Castillo
Sacramento City Unified School District
February 16, 2017
Page 2

- Schedule of Funding Progress (OPEB)
- Schedule of the District's Proportionate Share of the Net Pension Liability
- Schedule of Contributions

The document will also include the following additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

- Schedule of Financial Trends and Analysis

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud, and that we report on the Schedule of Expenditures of Federal Awards (as noted above), and on your compliance with Federal statutes, regulations, and the terms and conditions of Federal awards and on its internal controls as required for a Single Audit. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks that the financial statements could be misstated by an amount we believe would influence the financial statement users. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In making our risk assessments, we consider internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to the District's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

We expect to issue a written report upon completion of our audit of the financial statements. Our report will be addressed to Board of Education of the District. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph, or withdraw from the engagement.

In addition to our report on the financial statements and supplemental information, we plan to issue the following reports:

- Independent Auditor's Report on Compliance with State Laws and Regulations – The purpose of this report on compliance is solely to describe the scope of our testing of compliance with State Laws and Regulations, and the results of that testing, based on the requirements of the State of California's *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* — The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.
- Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance -- The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

We will also perform tests of controls including testing underlying transactions, as required by the Uniform Guidance, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of your major federal awards programs. We will determine major programs in accordance with the Uniform Guidance. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed. We will inform you of any deficiencies or other matters involving internal control, if any, as required by the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. The objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.

The Uniform Guidance requires that we plan and perform the audit to obtain reasonable assurance about whether you have complied with certain provisions of laws, regulations, contracts and grants. Our procedures will consist of the applicable procedures described in the United States Office of Management and Budget (OMB) Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of your major programs. The purpose of our audit will be to express an opinion on your compliance with requirements applicable to major Federal award programs. Because an audit is designed to provide reasonable assurance, but not absolute assurance, the audit is not designed to detect immaterial violations or instances of noncompliance.

Our audit and work product are intended for the benefit and use of the District only. The audit will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible

interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

The working papers for this engagement are the property of Crowe and constitute confidential information. However, we may be requested to make certain working papers available to your oversight agency or grantors pursuant to authority given to them by law, regulation, or contract. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to your oversight agency or grantors. The working papers for this engagement will be retained for a minimum of three years after the date our report is issued or for any additional period requested by the oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the working papers.

Government Auditing Standards require that we provide you with a copy of our most recent peer review report, which accompanies this letter.

The District's Responsibilities

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. The District's management is also responsible for complying with applicable laws, regulations, contracts and grants and such responsibility extends to identifying the requirements and designing internal control policies and procedures to provide reasonable assurance that compliance is achieved. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings, which should be available for our review, and a corrective action plan.

Management has the responsibility to adopt sound accounting policies, maintain an adequate and efficient accounting system, safeguard assets, and design and implement programs and controls to prevent and detect fraud. Management's judgments are typically based on its knowledge and experience about past and current events and its expected courses of action. Management's responsibility for financial reporting includes establishing a process to prepare the accounting estimates included in the financial statements.

Management is responsible for providing to us, on a timely basis, all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters. Management is also responsible for providing such other additional information we may request for the purpose of the audit, and unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. Additionally, those charged with governance are responsible for informing us of their views about the risks of fraud within the District, and their knowledge of any fraud or suspected fraud affecting the District.

Management is responsible for adjusting the financial statements to correct material misstatements related to accounts or disclosures. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including that the effects of any uncorrected misstatements aggregated by us during the audit are immaterial, both individually and in the aggregate, to the financial statements and to compliance with the requirements of its Federal programs. Management acknowledges the importance of management's representations and responses to our inquiries, and that they will be utilized as part of the evidential matter we will rely on in forming our opinion. Because of the importance of management's representations to an effective audit, you agree to

release Crowe and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by management.

Management is responsible for the preparation of the supplementary information identified above in accordance with the applicable criteria. As part of our audit process, we will request from management certain written representations regarding management's responsibilities in relation to the supplementary information presented, including but not limited to its fair presentation in accordance with the applicable criteria, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information. In addition, it is management's responsibility to include the auditor's report on supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. It is also management's responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the District of the supplementary information and the auditor's report thereon.

Management is responsible for the preparation of the required supplementary information identified above in accordance with the applicable guidelines. We will request from management certain written representations regarding management's responsibilities in relation to the required supplementary information presented, including but not limited to whether it has been measured and presented in accordance with prescribed guidelines, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information.

At the conclusion of the engagement, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of thirty days after receipt of the auditor's reports or nine months after the end of the audit period.

OTHER SERVICES

Financial Statement Preparation

The District will provide us with the necessary information to assist in the preparation of the draft financial statements including the notes thereto. We are relying on the District to provide us with the detailed trial balance, note disclosure information and any other relevant report information in a timely fashion and ensure the data is complete and accurate. Management is solely responsible for the presentation of the financial statements.

Preparation of the Schedule of Expenditure of Federal Awards

The District will provide us with the necessary information to prepare the draft schedule of expenditure of federal awards including the notes thereto. We are relying on the District to provide us with all information required by the Uniform Guidance for the schedule, notes and other relevant reporting information in a timely fashion and ensure the data is complete and accurate. Management is solely responsible for the presentation of the schedule of expenditures of federal awards.

Recordkeeping Assistance

The Entity will provide us with the necessary information to assist you in your recordkeeping. We will propose year end adjusting entries to management for your review and approval, including cash to accrual conversion entries. We are relying on the District to provide us with the necessary information in a timely fashion and ensure the data is complete and accurate.

Data Collection Form input services

We will provide assistance in completing sections of the Data Collection Form (DCF) relative to its federal award programs pursuant to the requirements of Section §200.512 of the Uniform Guidance that are promulgated to be completed by the District. While we may provide this data entry service and assist you in satisfying your electronic data communication requirements to the Federal Audit Clearinghouse, the completeness and accuracy of this information remains the responsibility of your management.

With respect to the above other services, you agree to: assume all management responsibilities including making all management decisions; oversee the service by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

BOND OFFERINGS

With respect to any official statements issued by the District with which Crowe is not involved, the official statement should indicate that the auditor is not involved with the contents of such official statement. The disclosure should read as:

"Crowe Horwath LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Crowe Horwath LLP also has not performed any procedures relating to this official statement."

FEES

Our fees, inclusive of out-of-pocket expenses, are outlined below. Our invoices are due and payable upon receipt. Invoices that are not paid within 30 days of receipt are subject to a monthly interest charge of one percent per month or the highest interest rate allowed by law, whichever is less, which we may elect to waive at our sole discretion, plus costs of collection including reasonable attorneys' fees. If any amounts invoiced remain unpaid 30 days after the invoice date, you agree that Crowe may, in its sole discretion, cease work until all such amounts are paid or terminate this engagement.

Audit of District financial statements for the year ending June 30, 2017	\$ 70,500
--	-----------

In accordance with the requirements of Education Code Section 14505, the District will not be required to pay the final 10% of this amount until the current year audit report has been accepted by the State Controller's Office.

Circumstances may arise under which we must perform additional work and, thus, require additional billings for our services. Examples of such circumstances include, but are not limited to:

- Changing audit requirements
- New professional standards or regulatory requirements

- New financial statement disclosures
- Work caused due to the identification of, and management's correction of, inappropriate application of accounting pronouncements
- Erroneous or incomplete accounting records
- New or unusual transactions
- Change in your organizational structure or size due to merger and acquisition activity or other events
- Change in your controls
- Agreed-upon level of preparation and assistance from your personnel not provided
- Failure of your staff to prepare information in a timely manner
- Numerous revisions to your information
- Lack of availability of appropriate District personnel during audit fieldwork.

Additionally, to accommodate requests to reschedule audit fieldwork without reasonable notice, additional billings for our services could be required, and our assigned staffing and ability to meet agreed-upon deadlines could be impacted.

Our fee assumes that we will be provided with auditable trial balances for all funds at year end, that all bank accounts and investment accounts will be reconciled through the end of the year being audited to the trial balances, that interfund and transfer accounts will balance, that subsidiary ledgers will reconcile to the general ledger and that beginning fund equity amounts will be reconcilable to prior year audited ending fund equity. We assume that the District will cooperate with our requests for information such as explanations of account activity.

Additionally, we assume the District will provide a copy of the capital assets ledger including current year additions and dispositions and depreciation by functional expense. We assume that requested records such as invoices, contracts, grant agreements and supporting documentation will be located and provided to us. We also assume the District will prepare confirmation letters, the MD&A section of the report.

Our fee does not include implementation of any other future accounting or auditing pronouncements and/or government requirements that may change, thus, the scope or amount of auditing necessary to complete our engagements may increase beyond what is currently anticipated. Should such events occur, we would present you with our estimate of any possible increase prior to beginning our audit for the given year. An equitable adjustment in the proposed fee will be negotiated if the cost of time required for performance of the audit service is increased or decreased pursuant to a change in scope of the audit requested by the District or required by State or Federal regulations.

When we become aware of circumstances which impact the amount or scheduling of our work, we will issue, for your approval, a formal change order detailing the reason and the anticipated impact of the change.

Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs, imposed in respect of the Services, any work product or any license, all of which Client agrees to pay if applicable or if they become applicable (other than taxes imposed on Crowe's income generally), without deduction from any fees or expenses invoiced to Client by Crowe.

To facilitate Crowe's presence at District's premises, District will provide Crowe with internet access while on Client's premises. Crowe will access the internet using a secure virtual private network. Crowe will be responsible for all internet activity performed by its personnel while on District's premises. In the event District does not provide Crowe with internet access while on District's premises, District will reimburse Crowe for the cost of internet access through other means while on District's site.

Mr. Gerardo Castillo
Sacramento City Unified School District
February 16, 2017
Page 8

MISCELLANEOUS

For purposes of this Miscellaneous section, the Acceptance section below, and all of the Crowe Engagement Terms, "Client" will mean the entity(ies) defined in the first paragraph of this letter and will also include all related parents, subsidiaries, and affiliates of Client who may receive or claim reliance upon any Report.

Crowe will provide the services to Client under this Agreement as an independent contractor and not as Client's partner, agent, employee, or joint venturer under this Agreement. Neither Crowe nor Client will have any right, power or authority to bind the other party.

This engagement letter agreement (the "Agreement") reflects the entire agreement between the parties relating to the services (or any reports, deliverables or other work product) covered by this Agreement. The engagement letter and any attachments (including without limitation the attached Crowe Engagement Terms) are to be construed as a single document, with the provisions of each section applicable throughout. This Agreement may not be amended or varied except by a written document signed by each party. It replaces and supersedes any other proposals, correspondence, agreements and understandings, whether written or oral, relating to the services covered by this letter, and each party agrees that in entering this Agreement, it has not relied on any oral or written representations, statements or other information not contained in or incorporated into this Agreement. Any non-disclosure or other confidentiality agreement is replaced and superseded by this Agreement. The agreements of the parties contained in this Agreement will survive the completion or termination of this Agreement. If any provision (in whole or in part) of this Agreement is found unenforceable or invalid, this will not affect the remainder of the provision or any other provisions in this Agreement, all of which will continue in effect as if the stricken portion had not been included. This Agreement may be executed in two or more actual, scanned, emailed, or electronically copied counterparts, each and all of which together are one and the same instrument. Accurate transmitted copies (transmitted copies are reproduced documents that are sent via mail, delivery, scanning, email, photocopy, facsimile or other process) of the executed Agreement or signature pages only (whether handwritten or electronic signature), will be considered and accepted by each party as documents equivalent to original documents and will be deemed valid, binding and enforceable by and against all parties. This Agreement must be construed, governed, and interpreted under the laws of the State of Illinois, without regard for choice of law principles.

We are pleased to have this opportunity to serve you, and we look forward to a continuing relationship. If the terms of this letter and the attached Crowe Engagement Terms are acceptable to you, please sign below and return one copy of this letter at your earliest convenience. Please contact us with any questions or concerns.

Mr. Gerardo Castillo
Sacramento City Unified School District
February 16, 2017
Page 9

ACCEPTANCE

I have reviewed the arrangements outlined above and in the attached "Crowe Engagement Terms," and I accept on behalf of the Client the terms and conditions as stated. By signing below, I represent and warrant that I am authorized by Client to accept the terms and conditions as stated.

IN WITNESS WHEREOF, Sacramento City Unified School District and Crowe have duly executed this engagement letter effective the date first written above.

Crowe Horwath LLP and the Engagement Authorized Signer below are licensed or otherwise authorized by the California Board of Accountancy.

Sacramento City Unified School District



Signature

Gerardo Castillo

Printed Name

Chief Business Officer

Title

3/13/2017

Date

CROWE HORWATH LLP



Signature

Matthew Nethaway

Printed Name

Partner

Title

February 16, 2017

Date



Sacramento City Unified School District

SERVICES AGREEMENT

Date: April 6, 2017 **Place:** Sacramento, California

Parties: Sacramento City Unified School District, a political subdivision of the State of California, (hereinafter referred to as the "District"); and SyTech Solutions (hereinafter referred to as "Contractor").

Recitals:

A. The District is a public school district in the County of Sacramento, State of California, and has its administrative offices located at the Serna Center, 5735 47th Avenue, Sacramento, CA 95824.

B. The District desires to engage the services of the Contractor and to have said Contractor render services on the terms and conditions provided in this Agreement.

C. California Government Code Section 53060 authorizes a public school district to contract with and employ any persons to furnish to the District, services and advice in financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained, experienced and competent to perform the required services, provided such contract is approved or ratified by the governing board of the school district. Said section further authorizes the District to pay from any available funds such compensation to such persons as it deems proper for the services rendered, as set forth in the contract.

D. The Contractor is specially trained, experienced and competent to perform the services required by the District, and such services are needed on a limited basis.

In consideration of the mutual promises contained herein, the parties agree as follows:

ARTICLE 1. SERVICES.

The Contractor hereby agrees to provide to the District the services as described below ("Services"):

Scan and electronically organize the archive records for the Facilities Department, per proposal dated March 7, 2017 and attached hereto.

ARTICLE 2. TERM.

This Agreement shall commence on April 6, 2017, and continue through completion of services, unless sooner terminated, as set forth in Article 10 of this Agreement, provided all services under this Agreement are performed in a manner that satisfies both the needs and reasonable expectations of the District. The determination of a satisfactory performance shall be in the sole judgment and discretion of the District in light of applicable industry standards, if applicable. The



Sacramento City Unified School District

term may be extended by mutual consent of the parties on the same terms and conditions by a mutually executed addendum.

ARTICLE 3. PAYMENT.

District agrees to pay Contractor for services satisfactorily rendered pursuant to this Agreement as follows:

Flat Rate: The total payment to Contractor, including travel and other expenses, shall be Ninety Three Thousand, One Hundred Dollars (\$93,100).

Payment shall be made within 30 days upon submission of periodic invoice(s) to the attention of Jim Dobson, Facilities Director, Sacramento City Unified School District, P. O. Box 246870, Sacramento, California 95824-6870.

ARTICLE 4. EQUIPMENT AND FACILITIES.

District will provide Contractor with access to all needed records and materials during normal business hours upon reasonable notice. However, District shall not be responsible for nor will it be required to provide personnel to accomplish the duties and obligations of Contractor under this Agreement. Contractor will provide all other necessary equipment and facilities to render the services pursuant to this Agreement.

ARTICLE 5. WORKS FOR HIRE/COPYRIGHT/TRADEMARK/PATENT

The Contractor understands and agrees that all matters specifically produced under this Agreement that contain no intellectual property or other protected works owned by Contractor shall be works for hire and shall become the sole property of the District and cannot be used without the District's express written permission. The District shall have the right, title and interest in said matters, including the right to secure and maintain the copyright, trademark and/or patent of said matter in the name of the District. The Contractor consents to the use of the Contractor's name in conjunction with the sale, use, performance and distribution of the matters, for any purpose in any medium.

As to those matters specifically produced under this Agreement that are composed of intellectual property or other protected works, Contractor must clearly identify to the District those protected elements included in the completed work. The remainder of the intellectual property of such completed works shall be deemed the sole property of the District. The completed works that include both elements of Contractor's protected works and the District's protected works, shall be subject to a mutual non-exclusive license agreement that permits either party to utilize the completed work in a manner consistent with this Agreement including the sale, use, performance and distribution of the matters, for any purpose in any medium.

ARTICLE 6. INDEPENDENT CONTRACTOR.

Contractor's relationship to the District under this Agreement shall be one of an independent contractor. The Contractor and all of their employees shall not be employees or agents of the District and are not entitled to participate in any District pension plans, retirement, health and welfare programs, or any similar programs or benefits, as a result of this Agreement.



The Contractor and their employees or agents rendering services under this agreement shall not be employees of the District for federal or state tax purposes, or for any other purpose. The Contractor acknowledges and agrees that it is the sole responsibility of the Contractor to report as income its compensation from the District and to make the requisite tax filings and payments to the appropriate federal, state, and/or local tax authorities. No part of the Contractor's compensation shall be subject to withholding by the District for the payment of social security, unemployment, or disability insurance, or any other similar state or federal tax obligation.

The Contractor agrees to defend, indemnify and hold the District harmless from any and all claims, losses, liabilities, or damages arising from any contention by a third party that an employer-employee relationship exists by reason of this Agreement.

The District assumes no liability for workers' compensation or liability for loss, damage or injury to persons or property during or relating to the performance of services under this Agreement.

ARTICLE 7. FINGERPRINTING REQUIREMENTS.

Contractor agrees that any employee it provides to the District shall be subject to the fingerprinting and TB requirements set forth in the California Education Code. Pursuant to Education Code §45125.1, Contractor shall certify in writing to the District that neither the employer nor any of its employees who are required to have their fingerprints submitted to the Department of Justice (DOJ), and who may come in contact with pupils, have been convicted of a felony as defined in §45122.1.

District has determined that services performed under this Agreement will result in limited contact with pupils. Contractor is required to comply with the conditions listed in Exhibit A, Contractor's Certification of Compliance. If the Contractor is unwilling to comply with these requirements, the Contractor's employees may not enter any school site until the Contractor provides the certification of fingerprinting clearance by the DOJ for employees providing services. These requirements apply to self-employed contractors.

ARTICLE 8. MUTUAL INDEMNIFICATION.

Each of the Parties shall defend, indemnify and hold harmless the other Party, its officers, agents and employees from any and all claims, liabilities and costs, for any damages, sickness, death, or injury to person(s) or property, including payment of reasonable attorney's fees, and including without limitation all consequential damages, from any cause whatsoever, arising directly or indirectly from or connected with the operations or services performed under this Agreement, caused in whole or in part by the negligent or intentional acts or omissions of the Parties or its agents, employees or subcontractors.

It is the intention of the Parties, where fault is determined to have been contributory, principles of comparative fault will be followed and each Party shall bear the proportionate cost of any damage attributable to fault of that Party. It is further understood and agreed that such indemnification will survive the termination of this Agreement.



ARTICLE 9. INSURANCE.

Prior to commencement of services and during the life of this Agreement, Contractor shall provide the District with a certificate of insurance reflecting its comprehensive general liability insurance coverage in a sum not less than \$1,000,000 per occurrence naming District as an additional insured. Such insurance as is afforded by this policy shall be primary, and any insurance carried by District shall be excess and noncontributory. If insurance is not kept in force during the entire term of the Agreement, District may procure the necessary insurance and pay the premium therefore, and the premium shall be paid by the Contractor to the District.

ARTICLE 10. TERMINATION.

The District may terminate this Agreement without cause upon giving the Contractor thirty days written notice. Notice shall be deemed given when received by Contractor, or no later than three days after the day of mailing, whichever is sooner.

The District may terminate this Agreement with cause upon written notice of intention to terminate for cause. A Termination for Cause shall include: (a) material violation of this Agreement by the Contractor; (b) any act by the Contractor exposing the District to liability to others for personal injury or property damage; or (c) the Contractor confirms its insolvency or is adjudged a bankrupt; Contractor makes a general assignment for the benefit of creditors, or a receiver is appointed on account of the Contractor's insolvency.

Ten (10) calendar days after service of such notice, the condition or violation shall cease, or satisfactory arrangements for the correction thereof be made, or this Agreement shall cease and terminate. In the event of such termination, the District may secure the required services from another contractor. If the cost to the District exceeds the cost of providing the service pursuant to this Agreement, the excess cost shall be charged to and collected from the Contractor. The foregoing provisions are in addition to and not a limitation of any other rights or remedies available to the District. Written notice by the District shall be deemed given when received by the other party or no later than three days after the day of mailing, whichever is sooner.

ARTICLE 11. ASSIGNMENT.

This Agreement is for personal services to be performed by the Contractor. Neither this Agreement nor any duties or obligations to be performed under this Agreement shall be assigned without the prior written consent of the District, which shall not be unreasonably withheld. In the event of an assignment to which the District has consented, the assignee or his/her or its legal representative shall agree in writing with the District to personally assume, perform, and be bound by the covenants, obligations, and agreements contained in this Agreement.

ARTICLE 12. NOTICES.

Any notices, requests, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, or on the day after dispatching by Federal Express or another overnight delivery service, and properly addressed as follows:

District:
Sacramento City Unified School District
PO Box 246870
Sacramento CA 95824-6870
Attn: Kimberly Teague, Contracts

Contractor:
SyTech Solutions
9362 Studio Ct.
Elk Grove, CA 95758
Attn: Jeffrey Green

ARTICLE 13. ENTIRE AGREEMENT.

This Agreement contains the entire agreement between the parties and supersedes all prior understanding between them with respect to the subject matter of this Agreement. There are no promises, terms, conditions or obligations, oral or written, between or among the parties relating to the subject matter of this Agreement that are not fully expressed in this Agreement. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations under this Agreement be waived, except by written instrument signed by the party to be otherwise expressly permitted in this Agreement.

ARTICLE 14. CONFLICT OF INTEREST.

The Contractor shall abide by and be subject to all applicable District policies, regulations, statutes or other laws regarding conflict of interest. Contractor shall not hire any officer or employee of the District to perform any service covered by this Agreement. If the work is to be performed in connection with a Federal contract or grant, Contractor shall not hire any employee of the United States government to perform any service covered by this Agreement.

Contractor affirms to the best of their knowledge, there exists no actual or potential conflict of interest between Contractor's family, business or financial interest and the services provided under this Agreement. In the event of a change in either private interest or services under this Agreement, any question regarding possible conflict of interest which may arise as a result of such change will be brought to the District's attention in writing.

ARTICLE 15. NONDISCRIMINATION.

It is the policy of the District that in connection with all services performed under contract, there will be no discrimination against any prospective or active employee engaged in the work because of race, color, ancestry, national origin, handicap, religious creed, sex, age or marital status. Contractor agrees to comply with applicable federal and California laws including, but not limited to, the California Fair Employment and Housing Act.

ARTICLE 16. SEVERABILITY.

Should any term or provision of this Agreement be determined to be illegal or in conflict with any law of the State of California, the validity of the remaining portions or provisions shall not be affected thereby. Each term or provision of this Agreement shall be valid and be enforced as written to the full extent permitted by law.

ARTICLE 17. RULES AND REGULATIONS.

All rules and regulations of the District's Board of Education and all federal, state and local laws, ordinance and regulations are to be strictly observed by the Contractor pursuant to this



Agreement. Any rule, regulation or law required to be contained in this Agreement shall be deemed to be incorporated herein.

ARTICLE 18. APPLICABLE LAW/VENUE.

This Agreement shall be governed by and construed in accordance with the laws of the State of California. If any action is instituted to enforce or interpret this Agreement, venue shall only be in the appropriate state or federal court having venue over matters arising in Sacramento County, California, provided that nothing in this Agreement shall constitute a waiver of immunity to suit by the District.

ARTICLE 19. RATIFICATION BY BOARD OF EDUCATION.

This Agreement is not enforceable and is invalid unless and until it is approved and/or ratified by the governing board of the Sacramento City Unified School District, as evidenced by a motion of said board duly passed and adopted.

Executed at Sacramento, California, on the day and year first above written.

**SACRAMENTO CITY
UNIFIED SCHOOL DISTRICT**

SYTECH SOLUTIONS

By: _____

Gerardo Castillo
Chief Business Officer

By:

Signature

Date

Print Name/Title

Date



EXHIBIT A

CONTRACTOR CERTIFICATION of COMPLIANCE

Fingerprinting: Education Code section 45125.1 provides that any contractor providing school site administrative or similar services to a school district must certify that employees who may come into contact with pupils have not been convicted of a serious or violent felony as defined by law. Those employees must be fingerprinted and the Department of Justice (DOJ) must report to the Contractor if they have been convicted of such felonies. No person convicted may be assigned to work under the contract. Depending on the totality of circumstances including (1) the length of time the employees will be on school grounds, (2) whether pupils will be in proximity of the site where the employees will be working and (3) whether the contractors will be working alone or with others, the District may determine that the employees will have only limited contact with pupils and neither fingerprinting nor certification is required.

The District has determined that section 45125.1 is applicable to this Agreement, and that the employees assigned to work at a school site under this Agreement will have only limited contact with pupils, provided the following conditions are met at all times:

1. Employees shall not come into contact with pupils or work in the proximity of pupils at any time except under the direct supervision of school district employees.
2. Employees shall use only restroom facilities reserved for District employees and shall not use student restrooms at any time.
3. Contractor will inform all employees who perform work at any school or District site of these conditions and require its employees, as a condition of employment, to adhere to them.
4. Contractor will immediately report to District any apparent violation of these conditions.
5. Contractor shall assume responsibility for enforcement of these conditions at all times during the term of this Agreement.

If, for any reason, the Contractor cannot adhere to the conditions stated above, the Contractor shall immediately so inform the District and shall assign only employees who have been fingerprinted and cleared for employment by the Department of Justice. In that case, the Contractor shall provide to the District the names of all employees assigned to perform work under this Agreement. Compliance with these conditions, or with the fingerprinting requirements, is a condition of this Agreement, and the District reserves the right to suspend or terminate the Agreement at any time for noncompliance.

Authorized Signature of Contractor

Date

Printed Name/Title

Project Proposal



Prepared For:

Sacramento City Unified School District
Facilities Support Services

March 7, 2017

Prepared By:

Jeffrey G. Green

9362 Studio Court, Elk Grove, CA. 95758
Office: 916-381-3010 x234 or 800-814-8324 x234
Fax: 916.381.3350
Email: jgreen@sytechsolutions.com
Website: www.sytechsolutions.com

The ideas, products and prices presented herein are the confidential property of SyTech Solutions and may not be copied or distributed without written permission.

TABLE OF CONTENTS

OVERVIEW.....	1
ABOUT SYTECH SOLUTIONS	1
PROPOSED APPROACH – CONVERSION SERVICES	2
KOFAX ASCENT CAPTURE	2
DOCUMENT CONVERSION PROCESS	3
COURIER SERVICE	3
DOCUMENT PREPARATION.....	3
DOCUMENT SCANNING.....	4
INDEXING	4
QUALITY CONTROL	4
RECORD RETRIEVAL SERVICES.....	4
DELIVERABLE	4
PRICE SCHEDULE – DOCUMENT CONVERSION AND RELATED SERVICES	5

OVERVIEW

The following document formally describes the proposed approach by SyTech Solutions (SyTech) to scan and electronically organize the archive records for the Sacramento City Unified School District, Facilities Department (Department). This proposal is based on information provided by the Department, as well as our understanding of the project objectives and our experience in document imaging and records management services. By converting their archive records into a digital format, the Department can eliminate their long-term storage and retrieval costs, significantly improve employee productivity, securely share information, satisfy all disaster recovery requirements, and address document security and compliance in regards to legal issues and record retention.

ABOUT SYTECH SOLUTIONS

SyTech Solutions, Inc. was founded as a California C Corporation in 2000. We have become a leading document management solutions provider and have built a solid reputation for outstanding quality and superior customer service. Our core strength is helping organizations digitize records and implement sound records management processes. Throughout the years, we have completed projects for hundreds of public and private agencies across California, and continue to be their source of document management expertise.

There are several important characteristics that set us apart from the competition:

- Recognized as a leader in document imaging and records management services, SyTech has been awarded the California Multiple Award Schedule for Document Conversion Services (CMAS #3-16-36-0085C). This award allows public agencies that are empowered to spend public funds to place orders directly with us due to the contract being awarded after going through a rigorous background check and competitive bid process. The CMAS contract independently attests to our competency and experience in document imaging and records management services.
- SyTech has received multiple "Best Solution" Awards by the Government Technology Committee (GTC) in recognition of our web development and document / data capture projects across the State of California. The "Best Solution" award recognizes companies that have implemented innovative and successful technology solutions that significantly improve business processes. GTC is the nation's largest and most respected technology conference for state and local governments, holding annual conferences nationwide.
- We have deployed the best physical security practices as well as hardware and network technology to ensure success. We utilize biometric doors and security cameras throughout our facility, and 128-DES encryption on all network connections. Authorized access is controlled 24/7/365 and is completely restricted to authorized employees only after hours and on weekends. In addition, our employees understand the sensitive nature of the records we process and are required to sign confidentiality agreements.
- Currently we provide our services to several School Districts throughout California. We have a strong legal and records management background, and as a member of the California Association of School Business Officials (**CASBO**) and California School Board Association (**CSBA**), an understanding of the latest record keeping practices and procedures. While we approach the problem using consistent standards and methodologies, we always find the right solution at the best possible value. Ultimately, the greatest indication of our success is in the satisfaction of our customers.



PROPOSED APPROACH – CONVERSION SERVICES

Our conversion services involve a complex flow of processes and quality control steps. No other company provides the same level of quality control and data validation. Combined with leading capture software and accurate scanning equipment, this unsurpassed quality assurance process makes our production system highly efficient.



KOFAX ASCENT CAPTURE

We use Kofax Ascent Capture software, the industry's leading production-level software product. Ascent Capture is designed to support document and data capture, as well as high-end production scanning. It allows for a large number of documents or forms to be processed with high throughput as well as quality output. The system features a resilient and robust architecture based on ubiquitous technology.

Kofax software is indispensable for high-volume scanning, which is why it plays a key role in our production process. Kofax tracks each "batch" of documents through the entire conversion process. It monitors documents from the initial scan to the optical release of the final image. Batches are routed through processing queues, which can be altered depending on the conditions of the batch.

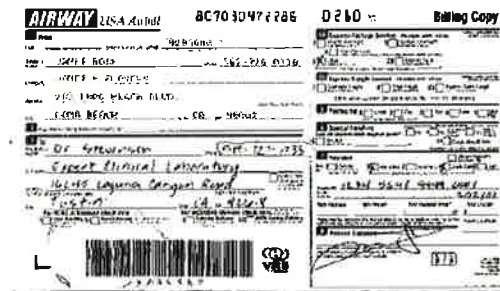
Kofax has the ability to enhance scanned images through its "Recognition" process. Poor quality images are enhanced using dithering and other technology. Kofax uses these tools to despeckle, deskew, and rotate images, providing the best possible image output available.



Additionally, Kofax VirtualReScan (VRS) technology provides another level of quality control. It acts as an intelligent monitoring agent and checks image quality as the documents are scanned. Unacceptable images are flagged and sent to the Quality Control module for virtual rescan without interrupting the scanning process. VRS allows our technicians to recover and restore images from common scanning problems that adversely affect quality. It also enhances lighter images so that they are easier to read. The advanced clarity feature also reduces file size while maximizing scan time. It is able to eliminate visual noise and allow for greater document integrity. Following completion of the capture process, a final inspection is performed by a technician to ensure that the images meet industry archival standards as well as the Department's specifications.



Without VRS technology



With VRS technology

DOCUMENT CONVERSION PROCESS

Utilizing indispensable Kofax tools, our production team follows a proven process throughout the conversion project. Enclosed is an outline of our process for your conversion project:



COURIER SERVICE

We will dispatch a courier to remove and catalog the archive records for processing at our Elk Grove facility. For security and confidentiality purposes, we utilize our own uniformed employees and GPS equipped company vehicles. Upon return to our facility, as part of our check in process, the driver will add our unique barcode labels to the storage boxes or containers to provide processing information for our staff as well as the ability to track or monitor the records throughout our facility during the entire document conversion project.

DOCUMENT PREPARATION

Prior to beginning the preparation process, our Project Manager will meet with production staff to review the specific instructions for document handling; including order and organization, how to handle exceptions and anomalies, and any extra care required for the older and more fragile documents. During the initial step in the document conversion process, our staff removes all staples, paper clips, bindings and Post-it notes from the documents, as well as repair any damaged areas to ensure that the document itself is scanner ready. This task is truly a vital piece of the process as our staff works carefully to maintain the document integrity throughout the preparation process. Prior to forwarding the documents on to image capture, additional responsibilities for the preparation staff include inserting barcode file separator sheets as needed, as well as performing a final review of the documentation itself.

DOCUMENT SCANNING

During the scanning process, the primary concern of our technicians is to maintain the integrity of your records. This includes visually inspecting the images as they are processed through our document capture system. For this project, all the documents will be captured in a standard PDF file format at 300 DPI resolution, with optical character recognition services performed (if applicable) to allow for keyword search capabilities when searching for records in the document management system. For documents that are scanned in duplex (front and back), blank pages are automatically removed by setting a byte threshold on the scanners. A small percentage of blank pages may remain due to the byte threshold that is set for capturing duplex pages (typically under 5%). Setting the threshold too low can result in missed duplex documents. If desired, and upon request from the Department, we can manually remove the remaining documents at our hourly rate for Professional Services.

INDEXING

For this scanning project, we will utilize our key data entry and validation process to index the archive records. For consistent accuracy in linking the index criteria to the digital images, we will use a combination of personnel, software, and procedures to ensure that the captured data meets accuracy requirements. Once this stage of the process has been completed, the data will be submitted to the Project Manager, who will then assemble all data and re-run the quality assurance queries against the database in its entirety.

QUALITY CONTROL

Accuracy is our number one goal, and quality control steps are tightly integrated into our conversion process. SyTech's production staff monitors all batches, images, and project outcomes. Below is a description of the quality control steps we will utilize during the conversion project:

1. **Process Check-In / Document Verification.** Our internal tracking system monitors the project and verifies every step of the production process. This allows our Project Manager to view and verify the ongoing progress of the conversion services.
2. **Document Preparation Inspection.** After the documents are prepared for scanning, a supervisor inspects the records to ensure task accuracy and proper preparation of the documents. The scanning operator then checks the preparation accuracy a second time before the conversion process begins. While our attention to preparation detail may seem strange, preparation is a common level for error and loss of data if not carefully performed.
3. **Scanning / Image Inspection.** There are important quality control steps to ensure that each scanned image is accurately captured. First, the technician visually inspects the images as they are scanned to ensure the highest image quality. Second, our scanning hardware notifies the technician every time there is a document mis-feed or error of any kind prior to image release.
4. **Final Audit.** After the images are released, a final audit is performed. This involves two steps. First, a technical supervisor reviews the index and image files for accuracy. Second, a quality control supervisor performs an inspection of the imaged files against the original documentation.

RECORD RETRIEVAL SERVICES

To ensure that the Facilities Department's authorized employees have access to their archive records throughout the document conversion project, we will provide access to our online Record Request System to allow for record requests during our regular business hours (8:00AM - 5:00PM Monday through Friday).

DELIVERABLE

We will format the deliverable (images and index criteria) for direct import into our document management system, 1DocStop.

PRICE SCHEDULE

DOCUMENT CONVERSION AND RELATED SERVICES

Service	Est. Qty.	Price	Unit	Extension
Preparation & QC of the archive records to include: - removal of staples, paperclips, bindings and Post-it notes - correct dog-eared corners - repair damaged areas - insert barcode separator sheets (as required) - ensure documents are scanner ready	350	\$ 16.00	Per hour	\$ 5,600.00
Document scanning & QC of the archive records to include: - image capture up to a 36 x 48 size document - output to a standard PDF file format at 300 dpi resolution	70,000	\$ 1.20	Per image	\$ 84,000.00
Indexing & QC of the archive records by: - school / location name - DSA # - DSA date or Plans date - architect name - drawing type	70,000	\$0.05	Per Keystroke	\$ 3,500.00
Estimated project cost				\$ 93,100.00

ADDITIONAL SERVICES

Service	Price	Unit
Courier services to include: - removal & cataloging of the archive records from the Facilities Dept.	Included w/services	Per event
Document storage services to include: - housing of the archive records up to thirty days after they have been uploaded into the 1DocStop Records Management Solution	Included w/services first 30 days	\$1.00/box/month
Document destruction services to include: - confidential shredding after thirty days of storage services	\$4.50	Cubic Foot

NOTE: The above quantities are estimates. The client will be invoiced based on the actual quantities processed. Services will be provided under the terms and conditions of our State of California CMAS contract #3-16-36-0085C.

R17-05275



AMS.NET, Inc.
 502 Commerce Way, Livermore, CA 94551
 925-245-6100 • 925-245-6150 Fax
 www.ams.net

Customer Price Quote

Customer

Sacramento City Unified School District
 5735 47th Ave
 Sacramento CA, 95824-4528
 ATTN: Elliot Lopez

Ship To

Sacramento City Unified School District
 5735 47th Ave, 1st Floor
 Sacramento, CA 95824-4528
 ATTN: Elliot Lopez

Quote Description

Lightspeed Solution - 10GB Primary/4GB Secondary

Quote #	#Q-00016816
Project #	81951
Modified	3/29/2017
Account Mgr.	Jared Bayless
AM Phone	(925) 245-6186
AM Email	jbayless@ams.net
Inside Account Mgr.	Mike Bruington
IAM Phone	(925) 245-6165
IAM Email	mbruington@ams.net
Quote Exp.	3/28/2018

Line	Item Description	Manufacturer	Qty	Unit Price	Extended Price
1	SYS-LB-1224 24 10GE Port Load Balancer [Replaces: SYS-G-LSS-WF-LB]	Lightspeed Systems, Inc.	2.00	\$27,543.75	\$55,087.50
2	SYS-WF-1G-TB I INTEL S-1600R3 BASED (Includes Server License Key) [Replaces: SYS-G-LSS-TB]	Lightspeed Systems, Inc.	7.00	\$6,825.00	\$47,775.00
3	SYS-WF-1G-PP INTEL S-1600R3/8 HDD (Includes License Server Key) [Replaces: SYS-G-LSS-WF-PP]	Lightspeed Systems, Inc.	2.00	\$6,825.00	\$13,650.00
4	SFP+SRR 10GBase-SR, Multi-Mode	Lightspeed Systems, Inc.	18.00	\$285.00	\$5,130.00
5	AMS-FREIGHT Freight and Handling	None	1.00	\$610.00	\$610.00

Order Summary

Subtotal	\$122,252.50
Adjustment	\$0.00
Taxes	\$10,085.87
Total	\$132,338.37



AMS.NET, Inc.
502 Commerce Way, Livermore, CA 94551
925-245-6100 • 925-245-6150 Fax
www.ams.net

Terms and Conditions

1. AMS.NET will require a Purchase Order referencing this Quote # or if a Purchase order is not provided, an authorized representative must sign this quote.

2. Payment terms are Net 30. An interest charge of 1.5% per month will be applied to all accounts past due, plus all costs of collection and reasonable attorneys fees. AMS.NET accepts all major credit cards. A convenience fee of 3.5% will be assessed. Customer agrees to accept multiple invoices for projects that cover multiple sales. In the event that a site's readiness is delayed by the customer, customer agrees to accept and pay invoices that reflect equipment and services already received.

3. Shipping charges and sales tax will be added to this order when invoiced and the customer agrees to pay these charges.

4. All companies with tax exemption must present a valid Tax Exempt form. If Customer is tax exempt or if tax exempt form is not provided then customer agrees to pay all applicable taxes.

5. All shipments are FOB Origin or Pre-paid and shipped to Dock. Any Special shipping requirements must be clearly stated on all PO's (i.e. inside delivery). If inside Delivery or Lift-gate is required it must be specified and additional fees will incur. Shipping charges that appear on this quote are an estimate, AMS.NET will invoice and the customer will pay the actual shipping charge when identified.

6. Upon delivery of equipment, customer agrees to open all shipments and visually inspect equipment for physical damages. All damages must be reported to AMS.NET within 24 hours of delivery.

7. Returns will be accepted at AMS.NET discretion and are subject to manufacturer returns policies as well. For returns to be approved all merchandise must be in an unopened box and the customer agrees to pay a restocking fee of 15% of the purchase price. Returns must be made within 15 Days of receipt. All shipments must have a valid RMA number from AMS.NET before returning. For RMA requests please contact our Customer Service Department at (800) 893-3660 Ext. 6111. Email RMA requests should be directed to service@ams.net A copy of AMS.NET's full RMA policy is available for review online at www.ams.net/services/procurement-and-financing/

Please fax signed Quotation or Purchase Order to your AMS.NET account manager or to 925.245.6150. Full terms and conditions can be viewed on our website at www.ams.net/services/procurement-and-financing/

8. The laws of the State of California will apply to this sale.

9. The term "installation date" means the first business day on which installation of the system is complete. Minor omissions or variances in performance of the System that do not materially or adversely affect the operation of the system, shall not be deemed to have postponed the Installation Date. Seller shall use its best efforts to make timely delivery and installation. However, all stated delivery and installation dates are approximate and except as expressly provided in this agreement, Seller shall, under no circumstance, be deemed to be in default hereunder or be liable for consequential, incidental or special damages or commercial loss resulting from delays in delivery or installation.

10. Warranties. AMS warrants to Customer that it has good title to the equipment being sold to Customer under this Agreement, and the right to sell such equipment to Customer free of liens or encumbrances. AMS further warrants to Customer that the equipment being sold to Customer hereunder shall be free from defects in workmanship for a warranty period of thirty (30) days commencing on the later date the equipment is delivered to Customer or the date upon which AMS completes performance of the services to be performed under this agreement (this warranty being hereinafter referred to as an "Installation Warranty"). Except as expressly set forth in this paragraph, AMS does not make, and hereby disclaims, any and all representations or warranties, express or implied, with respect to the equipment or services being provided under this agreement, including but not limited to any implied warranties of merchantability, fitness for a particular purpose, satisfactory quality, against infringement, or arising from a course of dealing, usage or trade practice. AMS shall reasonably cooperate and assist Customer in enforcing any manufacturer warranties with respect to the equipment being sold to Customer under this Agreement. AMS hereby advises Customer, and Customer acknowledges that in the event Customer desires to procure from AMS any warranty protection beyond the warranty of title and the Installation Warranty provided under this Paragraph, Customer may do so by entering into a separate Service Agreement with AMS.

Manufacturer's warranty that is guaranteed is whatever is published by the manufacturer at the time of purchase.

AMS.NET Tax ID: 94-3291629


C7 License: 763508

Authorized Signature: _____

Date: _____

Print Name: _____

Print Title: _____


Elliot Lopez

CIO