

October 3, 2019

Dawn Bray, Purchasing
Perris Union High School District
155 E. 4th Street
Perris, California 92570

RE: Fixed Asset Management Services

Dear Ms. Bray,

AssetWorks is pleased to submit our proposal to provide Perris Union High School District (District) comprehensive fixed asset management services which will include physical asset inventory and verification, barcode tagging of non-tagged assets, asset exception reporting (additions/retirements) and certified appraisal reports to meet external audit requirements, the financial reporting requirements of GASB 34/35, federal reporting requirements and proper asset accountability and stewardship.

AssetWorks is uniquely qualified to provide the inventory and reconciliation services, utilizing significant knowledge of asset reporting and audit compliancy. The goals go beyond counting assets and recording serial numbers, the understanding of the larger picture, populating software systems and the utilization of technology to achieve compliancy on multiple levels. AssetWorks takes a proactive stance and taking the initiative to develop ideas and bring new tools and techniques to better serve our clients

Please contact me directly at 310-470-4803 x1806 or via e-mail at greg.friz@assetworks.com with any questions or to schedule a meeting at your convenience.

Respectfully Submitted,

AssetWorks Risk Management Inc.



Gregory N. Friz, Regional Director

AssetWORKS

Proposal to Provide Fixed Asset Inventory & Verification Services

To:



PERRIS UNION
HIGH SCHOOL DISTRICT

Respectfully Submitted by:

AssetWorks Risk Management Inc.

Gregory N. Friz, Director
5220 Pacific Concourse Drive, Suite 350
Los Angeles, CA 90045
greg.friz@assetworks.com
www.assetworks.com
Phone: 310-470-4803 x1806

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STATEMENT OF QUALIFICATIONS



AssetWorks is a Constellation Software, Inc. company. Constellation Software, Inc. is an international provider of market-leading software and services to a variety of industries, across both public and private sectors. The company has a large, diverse customer base of 100,000 customers, operating in over 100 countries around the world. Constellation is an extremely healthy organization, with consolidated revenues exceeding US\$3B.

AssetWorks offers asset management solutions that embrace all aspects of capital asset and asset verification tracking, valuation and reporting. AssetWorks provides Appraisal Software and Consulting Services, Integrated Workplace Management Systems, Fleet Management Software, Fixed Asset Management Software and Integrated Automated Fueling Systems to organizations with large investments in capital assets. AssetWorks' suite of asset management solutions help our clients with capital and fixed assets; vehicle management; facilities and real estate management; improved regulatory compliance such as GASB 34/35; catastrophe modeling; insurance valuation; inventory control; fuel and energy expenditures and much more.

Our innovative solutions help organizations to vastly improve GASB34/35 compliance, generate detailed financial reports, carry out depreciation and capitalization modeling, track property disposal, generate property insurance reports, and much more.

The District can confidently select AssetWorks as a partner to provide asset management services. Specializing in providing asset management consulting, inventory, reconciliation, and valuation we offer:

- Two decades providing Enterprise Asset Management software solutions (EAM) and have the reputation of being the “best of class” provider. We are proud members of the California Association of School Business Officials (CASBO) and the National Property Management Association (NPMA).
- Our project team consists of full-time employees with offices in California. Our team has recently served over 300 California School Districts.
- AssetWorks Appraisal is the technology pioneer in asset management solutions. We have the most advanced enterprise asset solution to support our client’s asset management needs.
- We have successfully provided asset management tracking, verification and consulting services for more than 5,000 entities across the United States, Europe, and Puerto Rico including **over 1,000 educational clients.**

REFERENCES/CLIENTS SERVED

During the past two decades, AssetWorks staff has provided fixed asset management and inventory services to thousands of educational entities nationwide. Recent clients served by the AssetWorks team similar in scope include:

Palm Springs Unified School District	Oakland Unified School District
Palm Springs, CA	Oakland, CA
Contact: Rebecca Abeyta	Contact: JoHanna Turner
Phone: (760) 883-2710 x3	Phone: (925) 212-9906
Email: rabeyta@psusd.us	Email: johanna.turner@ousd.k12.ca.us
Fixed asset inventory services in 2012 and 2018	Fixed asset inventory and verification 2012, 2016
ADA: 24,000	ADA: 36,000
Glendale Unified School District	Vallejo Unified School District
Glendale, CA	Vallejo, CA
Contact: Karineh Savarani	Contact: Cleo Chaney
Phone: (818) 241-3111 x292	Phone: (707) 556-8921 x50114
Email: karinehsavarani@gusd.net	Email: cchaney@vallejo.k12.ca.us
Asset inventory since 2007	Fixed asset inventory services in 2010 and 2015
ADA: 26,000	ADA: 28,000
Banning Unified School District	Menifee Union School District
Banning, CA	Menifee, CA
Contact: Christina Hoff	Contact: Kellie Gomez
Phone: (951) 922-4051	Phone: (951) 672-6461
Email: choff@banning.k12.ca.us	Email: kgomez@menifeeusd.org
Fixed asset inventory and software services	Fixed asset inventory and verification

Project SCOPE

The scope of this project is focused on the proper accountability and stewardship of fixed assets, financial reporting requirements of GASB Statement 34 and compliancy requirements. This includes the identification of assets/property as well as the determination of historical costs for all assets. Additionally, assigning depreciable lives and calculation of accumulated and annual depreciations will take place followed by reporting in a format that is both useable and compliant.

Planning & Project Coordination

After a thorough analysis of the required project scope, a work plan will be developed to coordinate, perform, and provide a comprehensive and accurate physical inventory and verification. The work plan will include:

- Initial project plan
- Inventory and verification schedule
- Identify current locations and organizations for asset ownership
- Review of current asset perpetuation system
- Finalize quality control procedures
- Confirm reporting process
- Review deliverables

District Assistance

The success of this project substantially lies in the preparations and pre-project planning. We ask the District for assistance with the following:

- Notify key departments and contacts at each site of the project
- Enable access to all sites, buildings and rooms (master keys where possible)
- Provide file of most recent fixed asset data
- Assets must be unboxed and out of cabinets to be inventoried
- Prepare a current list of licensed vehicles to be included in the reports

Work Plan

With over 30 years of fixed asset data collection and reconciliation experience, AssetWorks has married software functionality with smart hardware technology. Easy data capturing methods and full mobile database capabilities are the cornerstones of AssetWorks mobile asset inventory and verification services. Mobile asset data collection and verification services are conducive to an accurate and efficient asset inventory and verification process by streamlining inventory workflow processes.

Work Plan - asset inventory and verification	Schedule
Task 1-Project Planning	
➤ Establish project/client team	Week 1
➤ Establish communication plan	Week 1
➤ Review current fixed asset system	Week 1
➤ Confirm Deliverables	Week 1
➤ Obtain site contact list	Week 1
➤ Prepare/distribute project announcement	Week 1
➤ Develop inventory schedule	Week 1
Task 2-Asset Inventory & Verification	
➤ Perform site inventory and verification	Week 2-4
➤ Record asset location data elements (site/building/room)	Week 2-4
➤ Record pertinent asset data (unrecorded additions/missing tags)	Week 2-4
➤ Record existing tag or apply barcode tag	Week 2-4
➤ Include license vehicles based on information provided by the District	Week 2-4
➤ Assign original cost based on data match to District information	Week 4-5
➤ Develop original cost (unrecorded additions)	Week 4-5
➤ Assign normal life	Week 4-5
Task 3-Deliverables	
➤ Preliminary reports (unrecorded retirements / unrecorded additions)	Week 8
➤ Review preliminary reports	Week 8-10
➤ Prepare final report	Week 12
➤ Deliver final reports and data file	Week 13

Asset Inventory Verification-Machinery, Furniture & Equipment

A detailed inspection and field inventory will be conducted at all buildings, identifying each asset with an original cost of \$500 and greater. The on-site asset inventory and verification will:

- Verify asset existence based on scanned re-inventory
- Confirm asset location to the site/building/room level
- Identify unrecorded assets such as additions, retirements and transfers
- Verify asset status and condition

All assets included in our inventory and appraisal will be recorded and categorized by major account. Detail asset data will be verified or recorded for each asset inventoried including:

- | | |
|--------------------------------|-----------------------------------|
| a. Asset Identification Number | i. Building |
| b. Description | j. Site/Location |
| c. Quantity | k. Room/Sublocation |
| d. Acquisition Date | l. Cost Information |
| e. Manufacturer | m. Funding Source* |
| f. Model | n. Department |
| g. Serial Number | o. Normal Useful Life |
| h. Asset Account | p. Miscellaneous (e.g. old tag #) |

**Fund source will be included if identified on the asset during the inventory process or through a data match by tag number to District provided information. AssetWorks is not proposing to research purchase orders or District files to identify fund source for each asset*

Barcode Tagging- AssetWorks appraisers will record the existing tag number or apply a District provided bar code tag where no tag exists and enter the tag numbers along with all the corresponding asset information into the database.

Property Excluded

Buildings, land, land improvements and fixed assets with an original cost less than \$500 are excluded from our proposed service.

COSTING & VALUATION METHODOLOGY

The offsite valuation portion of the project entails the research and calculations necessary to formulate historic costs. The project manager and quality control supervisor work hand-in-hand to ensure the integrity of the data. The focus is on completeness, accuracy and proper formatting of all data prior to final processing and delivery.

Our investigation of the property will follow generally accepted appraisal techniques and will include the use of specific techniques necessary to develop valid and acceptable original cost and date of acquisition for each asset. This includes use of the straight-line method of depreciation. We will determine original cost by using the following costing methods:

Direct Costing method will be used where historical data is readily available from District records. The actual purchase cost and acquisition date will be maintained for those assets. While AssetWorks, Inc. is not proposing a detailed line-by-line reconciliation, our staff will work with records as provided by the District to tie back original cost and dates of acquisition on recent acquisitions.

Standard Costing is used when inventoried property units/groups not reconciled to a historical record receive an estimated cost, where possible, based upon a standard cost (a known average installed cost for a like unit) at the estimated acquisition date.

Normal Costing method will be used where no historical information is readily available. These assets will be valued on a current basis and back-trended to an estimated date of acquisition to estimate the original cost. During the costing and valuation procedures, all items will be assigned a useful life. The useful life of an item will determine its approximate replacement year.

During the course of the valuation research, our appraisers will examine all assets to determine original cost, defined as follows:

Original Cost the amount originally paid to acquire the asset, including such cost as set-up charges; transportation; taxes; engineering and architectural fees; and title insurance. If an asset was donated or bought for a nominal sum, GAAP requires that the asset be accounted for at market value as of the date of acquisition.

PROJECT DELIVERABLES

Asset Verification Process

AssetWorks has developed a fixed asset management system to facilitate the physical inventory and reconciliation processes. Using AssetWorks system to compile physical inventory data, conduct physical inventory reporting, conduct verification reporting, and present discrepancy reporting.

- District's fixed asset data is imported into AssetWorks system for analysis
- AssetWorks compiles physical inventory verification
- Physical inventory findings with the District's existing records by serial number, bar code number or asset tag number is conducted
- Produce unrecorded addition report (assets inventoried but not matched to the District's fixed asset records by serial number, bar code or asset tag number)
- Produce unrecorded retirements report (assets on the District's fixed asset records but not able to be attached with physical inventory data by serial number, bar code number or asset tag number)

Exception Reports

- Inventoried Assets (assets verified)
- Unrecorded Additions (assets tagged and added during the inventory process)
- Unrecorded Retirements (assets in the District system which were not found during the inventory)

**Asset data match results will vary based on the District's fixed asset record accuracy, detail within the current fixed asset listing and accuracy of recording asset disposals/retirements. AssetWorks is not proposing a reconciliation service, determination of the asset status in the exception reports is the responsibility of the District. We are not proposing to be on-site to assist with the determination of the exception reporting.*

Final Reports

One copy of the final report will be provided in hardcopy format.

- Property Accounting Summary
- Property Accounting Ledger/Detail
- Property Accounting Summary Year-To-Date Depreciation
- Property Accounting Ledger/Detail Year-To-Date Depreciation
- Master asset listing by location
- Master data file (MS Excel)

PROJECT FEES & AUTHORIZATION

AssetWorks fees are US Dollars and include out-of-pocket expenses. Please execute the signature box and return a copy to me via email at greg.friz@assetworks.com. Our proposed fees are:

Fixed Asset Inventory (\$500 threshold, Machinery and Equipment) \$36,500

Thank you for the opportunity to propose our fixed asset management solution, we look forward to working with you on this important project.

RESPECTFULLY OFFERED BY:

ACCEPTED BY:

AssetWorks Risk Management Inc.

Perris Union High School District



Signature: _____

Name: _____

Gregory N. Friz, Director
October 3, 2019

Title: _____

Date: _____

ADDENDUM A-Terms and Conditions

The following terms and conditions apply to the proposal (“Proposal”) submitted by AssetWorks LLC (“AssetWorks” or “Company”) and any resulting contract (“Final Contract”) between AssetWorks and the legal entity to which the Proposal is submitted (“Customer”) with respect to AssetWorks’ services (“Services”).

1. Proposal Terms

1.1 In the event of a conflict between the terms of the request for proposal (“RFP”) presented by Customer and the Proposal, the Proposal shall govern and take precedence over the RFP.

1.2 In the event any portions of the Proposal will be incorporated into the Final Contract, only the portions of the Proposal which are deemed a contractual commitment will be included in the Final Contract as a direct provision thereof and not the entirety of the Proposal.

1.3 By accepting the Proposal, Customer agrees to these terms and conditions.

1.4 The fees set forth in the Proposal are valid for a period of 90 days.

2. Standard Service Terms

2.1 AssetWorks shall provide guidance to Customer in determining the data required by AssetWorks for purposes of performing the Services. Customer agrees to provide AssetWorks with all data specifically requested, including documentation and information, (collectively, “Data”) in a timely manner. In its performance of the Services, AssetWorks will rely on the Data provided by Customer. AssetWorks shall assume, without incurring liability therefore, that all Data provided by Customer is correct and complete. In the event that Customer provides additional and/or corrected Data at a later date, AssetWorks’ efforts with respect to such additional and/or corrected Data shall be deemed additional Services and subject to additional fees.

2.2 Customer agrees to cooperate with AssetWorks in providing access to Customer’s property and assets as required for AssetWorks to perform the Services. Failure to provide such access will cause delay and be subject to additional fees.

2.3 Project completion will be upon delivery of the final reports. Final report delivery occurs upon the earlier of: (i) acceptance of the preliminary reports by Customer or (ii) 10 business days after the date of preliminary report delivery, at which time the preliminary reports are then deemed the final reports.

2.4 In the performance of the Services, AssetWorks will specifically exclude the following assets types from its analysis: intangible assets, easements, rights of way, records, drawings, software, fine arts, consumables, spare parts, and third party property.

3. General Terms

3.1 AssetWorks will invoice 70% of the fees upon completion of the fieldwork portion of the project and the remaining 30% of fees upon delivery of the preliminary reports. Payments are due within 30 days of invoice date. Past due amounts may be subject to late fees of 1.5% per month.

3.2 Customer and AssetWorks shall each retain ownership of, and all right, title, and interest in and to, their respective pre-existing intellectual property and any derivatives thereof, and no license therein, whether express or implied, will be granted by the RFP or the Proposal. To the extent the parties wish to grant to the other license rights or interests in pre-existing intellectual property, mutually acceptable license terms shall be set forth in the Final Contract or other written agreement executed by the parties.

3.3 AssetWorks’ aggregate liability under the Final Contract, whether in contract, tort, or otherwise, shall not exceed the amounts paid under the Final Contract during the 12-month period immediately preceding the claim and neither party shall be liable for any indirect, incidental, consequential, exemplary, special, or punitive damages including, without limitation, any damages resulting from loss of use, loss of business, loss of revenue, loss of profits, or loss of data, even if a party has been advised of the possibility of such damages.