AssetWORKS



Proposal for Fixed Asset Management Services
Ravenswood City School District

OFFERED BY:

AssetWorks Risk Management Inc.
168 Industry Drive
Pittsburgh, PA 15275

Submitted to:

Ravenswood City School District
Mehdi Rizvi, Controller
2120 Euclid Avenue
East Palo Alto, CA 94303

April 14, 2021

STATEMENT OF QUALIFICATIONS

AssetWorks is a wholly owned subsidiary of Constellation Software Inc. (Constellation), a leading, global provider of software and services to organizations in the public and private sector. Constellation is publicly traded on the TSX under the symbol CSU. For the fiscal year ending December 31, 2019, consolidated revenues were in excess of US $3 Billion.

AssetWorks has unparalleled capabilities and expertise to support entities in accomplishing the challenges faced in meeting the financial reporting requirements of GASB Statement 34/35. The core of our success is our dedicated and qualified personnel. Our professional staff is comprised of full-time consultants who maintain affiliations with various professional associations focusing on the American Society of Appraisers (ASA). AssetWorks has a unique combination of highly skilled professionals and cutting-edge technology that allows us to assess, execute, and support each client's fixed asset management requirements in a professional, timely, and cost-effective manner.

REFERENCES

AssetWorks has provided fixed asset management and software services to California school districts for over two decades. Please contact the customers below for a reference of our services:

Sequoia Union High School District	**Oakland Unified School District**
Redwood City, CA	Oakland, CA
Contact: Allen Co	Contact: JoHanna Turner
Phone: (650) 369-1411 x22220	Phone: (925) 212-9906
Email: aco@seq.org	Email: johanna.turner@ousd.k12.ca.us
Fixed asset inventory services in 2020	Fixed asset inventory services 2012 and 2016 AssetMAXX Software
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
Fixed asset inventory in 2007 and 2018 AssetMAXX Software	Fixed asset inventory services in 2010 and 2015 AssetMAXX Software

WORK PLAN

AssetWorks staff will conduct an onsite inspection to perform an inventory verification of all buildings and machinery and equipment assets with an original cost of $500 and greater. The resulting data will provide the District proper accountability and stewardship of capital assets, assist with the financial reporting requirements of GASB 34, and external audit requirements.

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 planning
- Inventory and verification schedule
- Identify current locations and organizations for asset ownership
- Finalize quality control procedures
- Confirm verification 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)
- Prepare a current list of licensed vehicles to be included in the final reports. AssetWorks is not proposing to inventory licensed vehicles.
- Provide the most recent fixed asset listing in Excel format

Asset Inventory Verification-Machinery, Furniture & Equipment

A detailed inspection and field inventory will be conducted at all buildings, identifying each asset by location, building and room. 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
- Confirm custodial responsibility
- Identify unrecorded assets such as additions, retirements, and transfers
- Verify asset status and condition

Our staff will use portable data collection units to verify the asset data and record any missing information including the following data:

a. Asset Identification Number
b. Description
c. Quantity
d. Acquisition Date
e. Manufacturer
f. Model
g. Serial Number
h. Asset Account
i. Building
j. Site/Location
k. Room/Sublocation
l. Cost Information
m. Funding Source*
n. Department
o. Normal Useful Life
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 staff will record the existing tag number or apply a bar code tag where no tag exists and enter the tag numbers along with all the corresponding asset information into the database.

Buildings & Structures

The buildings/structures will be included based on both the normal costing and direct costing methodology as outlined in the Costing and Valuation section. The most recent property insurance appraisal report produced by AssetWorks will be used to develop original cost based on trending the current insurable value to an estimated original cost based on the date of acquisition. Direct costing will be performed based on information made available by the District.

COSTING AND VALUATION

Our investigation of the property will follow generally accepted 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 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 matched 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 valuation research, our appraisers will examine all assets to determine original cost, defined as follows:

Original Cost is 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

Reports will be presented in electronic format and include asset exception reports, draft reports, final detail summary reports as well as a master data file. A narrative section that will certify our inventory and valuation and document our procedures will precede your reports. Reports will include:

Verification Process

Throughout the inventory process, the inventory data is analyzed for discrepancies and inventory exceptions. Upon completion of the onsite fieldwork and offsite valuations, a data match comparing the District provided fixed asset data to the database of information recorded during the onsite fieldwork resulting in the following reports:

- Inventoried Assets (Matches)
- Unrecorded Additions (assets inventoried but not found in Districts records)
- Unrecorded Retirements (assets in Districts records but not found during inventory)

**Asset verification results will vary based on the District's fixed asset record accuracy and detail within the current fixed asset listing. AssetWorks is not proposing a reconciliation service, determination of the asset status in the exception reports is the responsibility of the District.*

Preliminary Reports

Draft Summary and detail reports will be sent via email in .pdf format for review. We provide two weeks from the point of issuance to determine acceptability of the final data. Upon acceptance, AssetWorks will then prepare and deliver final reports in electronic and hard-copy format.

Final Reports

One original of the final report will be provided in electronic format. Our conclusions will assist the District with meeting the financial reporting requirements, external audit requirements and accountability and stewardship of District assets.

STATEMENT OF WORK

INTRODUCTION

This statement of work covers the professional services and products to be provided by AssetWorks Risk Management Inc. This SOW confirms the understanding of the scope, objectives, services, deliverables, and work product for this project.

VALUATION SERVICES TO BE PROVIDED

- On-Site Property Fixed Asset Inventory and Verification Services ($500 Threshold)

PROPERTY TO BE INCLUDED

- Machinery and Equipment Fixed Assets (original cost of $500 and greater)
- Buildings (verified and trending of most recent property insurance appraisal)

PROPERTY EXCLUDED

- Land, Land Improvements, Infrastructure, Capital Improvements
- Equipment Assets with An Original Cost Less than $500 Including Chromebooks and Ipads

VALUE PROVIDED

- Original Cost (Actual or Estimated)

DELIVERABLES

- Certification Letter
- Preliminary Reports
- Final Reports
- Data File

QUOTE

AssetWORKS

Risk Management Inc.

168 Industry Drive
Pittsburgh, PA 15275

FIXED ASSET INVENTORY AND VERIFICATION SERVICES FEES				
SERVICE				**FEE**
Asset Inventory Services-Machinery and Equipment				$24,500
Asset Valuation-Buildings				$4,000
Total				**$28,500**

Notes:

** All fees quoted are in US Dollars and inclusive of all out-of-pocket expenses.*

** AssetWorks will invoice seventy percent (70%) of the Service fees upon completion of the fieldwork portion of the project and the remaining thirty percent (30%) of fees upon delivery of the preliminary reports.*

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is effective April 14, 2021 ("Effective Date") and entered into between AssetWorks Risk Management Inc. ("AssetWorks"), a Delaware corporation, located at 168 Industry Drive, Pittsburgh, PA 15275 and Ravenswood City School District ("Client"). In consideration of the mutual covenants contained herein, the parties agree as follows:

1. Services.

1.1 Services and Statements of Work. In consideration of the fees paid by Client hereunder, AssetWorks will provide Client with the Services described in Statements of Work (each, a "SOW") executed by the parties which reference this Agreement. The SOW will set forth the relevant project details. Project completion will be upon delivery of the final reports, which reports will be delivered to Client electronically via a link to AssetWorks' proprietary application ("Application"). Final report delivery occurs upon the earlier of: (i) acceptance of the preliminary reports by Client or (ii) ten (10) business days after the date of preliminary report delivery, at which time the preliminary reports are then deemed the final reports.

1.2 Access. Client agrees to cooperate with AssetWorks in providing access to Client's property and assets as required for AssetWorks to perform the Services. Failure to provide such access will cause delay in Service delivery and be subject to additional fees.

1.3 A Summary Appraisal Report will be provided by AssetWorks in the final reports package. This report includes Value Definitions, Effective Dates, Valuation Methodology, Summary Values and general Assumptions and Limiting Conditions for the valuation findings provided.

2. Intellectual Property Rights.

2.1 Ownership. AssetWorks owns all intellectual property rights in and to the Services any related data (excluding Client Data as defined below), documentation, techniques, tools, and software used by AssetWorks to deliver the Services. For clarity, Client obtains no interest in the Services except as expressly provided in this Agreement.

2.2 Client Data. Client shall retain all right, title, and interest in and to the Client Data provided by Client to AssetWorks in connection with the Services (collectively, "Client Data"). AssetWorks shall provide guidance to Client in determining the Client Data required by AssetWorks for purposes of performing the Services. Client agrees to provide AssetWorks with all data specifically requested, including documentation and information, in a timely manner. In its performance of the Services, AssetWorks will rely on the Client Data provided by Client. AssetWorks shall assume, without incurring liability therefore, that all Client Data provided by Client is correct and complete. If Client provides additional and/or corrected Client Data at a later date, AssetWorks' efforts with respect to such additional and/or corrected Client Data shall be deemed additional Services and subject to additional fees. Client grants to AssetWorks a royalty-free, non-exclusive, non-transferable license for the term of this

Agreement to use Client Data to the extent necessary to perform the Services. Client is solely responsible for the accuracy, quality, integrity, legality, reliability, and appropriateness of all Client Data.

3. Fees and Payment.

3.1 Fees. Client shall pay the Service fees set forth in the applicable SOW.

3.2 Payment. AssetWorks will invoice seventy percent (70%) of the Service fees upon completion of the fieldwork portion of the project and the remaining thirty percent (30%) of fees upon delivery of the preliminary reports. Unless otherwise provided in the SOW, Client agrees to pay all fees set forth in the applicable SOW within thirty (30) days of the invoice date. With regard to any invoiced amount that is not paid when due, AssetWorks reserves the right to charge, and Client agrees to pay, a late payment fee on the unpaid balance from the due date until paid equal to the lesser of one and one half percent (1.5%) per month, or the maximum amount allowable by law. All fees are non-refundable, except as otherwise explicitly stated in this Agreement.

4. Term and Termination.

4.1 Term. This Agreement shall commence on the Effective Date and continue for a term of one (1) year ("Initial Term"). Thereafter, this Agreement shall automatically renew for additional terms of one (1) year (each, a "Renewal Term") unless either party provides written notice to the other party at least thirty (30) days prior to the expiration of the then current Term. The Initial Term and any Renewal Term are collectively referred to as the "term" of this Agreement.

4.2 Termination. Either party may terminate this Agreement if the other party breaches any material provision of this Agreement and does not cure the breach within thirty (30) days after receiving written notice. Either party may terminate any individual SOW in accordance with the terms stated in such SOW or, if no such terms, upon providing ninety (90) days' written notice to the other party.

4.3 Effect of Termination. Upon termination of this Agreement, Client shall immediately cease using the Services and all SOWs will be deemed terminated. Client shall pay AssetWorks all fees due for Services provided through the date of termination in accordance with Section 3.2.

4.4 Suspension or Termination of Services. AssetWorks may suspend or terminate Client's access to the Services if Client fails to pay any fees when due which remain unpaid for thirty (30) days after receipt of notice. AssetWorks reserves the right to temporarily suspend the Services based on its good faith belief that it is necessary to protect the integrity of the Services.

5. Confidentiality.

5.1 Confidential Information. Each party (the "Disclosing Party") may from time to time during the term of this Agreement disclose to the other party (the "Receiving Party") certain information relating to trade secrets, data, designs, drawings, documentation, software (regardless of form or media), prototypes, processes, methods, concepts, research, development, facilities, employees, vendors, clients,

marketing, financials, business activities, and other confidential or proprietary information (collectively "Confidential Information"). To the extent practicable, the Disclosing Party shall mark and/or identify Confidential Information as confidential or proprietary at the time of disclosure; provided however, this Agreement shall also apply to information which, based on its nature, is reasonably expected to be deemed confidential. In addition, the terms of this Agreement shall be deemed Confidential Information. Furthermore, whether or not so marked or identified, the Services and any related data, and any quantitative analysis of the Services or performance of the Services are deemed the Confidential Information of AssetWorks, and the Client Data is deemed the Confidential Information of Client.

5.2 Exceptions. Confidential Information shall not include information that: (a) becomes generally available to the public through no fault of the Receiving Party; (b) is lawfully provided to the Receiving Party by a third party not under an obligation of confidentiality; (c) was lawfully possessed by the Receiving Party prior to receiving the Confidential Information from the Disclosing Party, as evidenced by the Receiving Party's records; or (d) the Receiving Party can demonstrate was independently developed by Receiving Party without use of the Disclosing Party's Confidential Information. The Receiving Party may disclose Confidential Information pursuant to applicable law, regulation, court order, or other legal process; provided, (i) if allowed by law, the Receiving Party has given the Disclosing Party prompt written notice of such required disclosure so that the Disclosing Party may seek a protective order or other appropriate remedy and (ii) the Receiving Party discloses only that portion of the requested Confidential Information that, in the opinion of its legal counsel, it is required to disclose.

5.3 Non-Disclosure and Non-Use. The Receiving Party agrees that it shall not use Confidential Information, or disclose any Confidential Information to any third party, except as expressly permitted under this Agreement. The Receiving Party shall not provide access to the Confidential Information to anyone other than those of its employees, contractors, and financial and legal advisors who have a need to know, who have confidentiality obligations no less restrictive than those set forth herein, and who have been informed of the confidential nature of such information. The Receiving Party shall protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as it protects its own confidential or proprietary information of a similar nature, and in any event with at least a reasonable degree of care.

6. Representations and Warranties.

6.1 General Warranty. Each party represents and warrants: (i) it has the full power and authority to enter into this Agreement; (ii) its execution and performance of this Agreement have been duly authorized by all necessary corporate action on behalf of such party; and (iii) the person signing this Agreement on behalf of such party has the full authority to do so.

6.2 Limited Warranty. AssetWorks warrants it will perform the Services in accordance with the Agreement and any applicable SOWs. AssetWorks further warrants that all Services will be performed in a good and workmanlike manner in accordance with industry standards. Client's exclusive remedy, and AssetWorks' sole liability, for breach of this warranty shall be for AssetWorks to use commercially reasonable efforts to re-perform the affected Services, provided that Client has given written notice to

AssetWorks within ninety (90) days of discovery of the non-conformance. AssetWorks shall, to the extent reasonably possible and permissible, pass-through or assign to Client all available warranties it receives from a third-party provider for third party products or services provided by AssetWorks to Client under this Agreement.

6.3 Disclaimer of Warranty. THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY WITH RESEPECT TO THIRD PARTY PRODUCTS OR THIRD PARTY SERVICES, THE PERFORMANCE OF ANY HARDWARE OR SOFTWARE USED IN PERFORMING SERVICES, THE RESULTS TO BE OBTAINED FROM THE SERVICES OR THE RESULTS OF ANY RECOMMENDATION ASSETWORKS MAY MAKE, AND ANY IMPLIED WARRANTIES CONCERNING PERFORMANCE, MERCHANTABILITY, FITNESS FOR USE FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

6.4 Client Responsibilities. Client is responsible for maintaining a backup of Client Data on its computer system. AssetWorks will not be responsible for loss of or damage to any data or loss of use of any computer or network systems. Client acknowledges that AssetWorks' performance and delivery of the Services are contingent upon: (i) Client providing safe and hazard-free access to its personnel, facilities, equipment, hardware, software, network, and Client Data and (ii) Client's timely decision-making, notification of relevant issues or information and granting of required permission and/or approval. Customer will promptly obtain and provide to AssetWorks any required licenses, approvals or consents necessary for AssetWorks' performance of the Services.

7. Indemnification.

7.1 AssetWorks will defend and indemnify Client against any claim, action, suit, or proceeding brought by a third party ("Claim") to the extent Client's use of the Services within the scope of this Agreement directly infringes a United States patent or copyright issued to or held by a third party, or misappropriates a trade secret of such third party; provided, Client notifies AssetWorks promptly in writing of such Claim and provides AssetWorks with the sole control, authority, information and assistance necessary to defend or settle such Claim.

7.2 In the event of an infringement Claim, or AssetWorks believes that such a Claim is likely, then AssetWorks shall, at its expense: (i) procure the right for Client to continue using the Services; (ii) replace or modify the Services so that it becomes non-infringing, without materially decreasing the functionality of the Services; or (iii) if neither (i) or (ii) is commercially practical, then, at AssetWorks' sole option, terminate this Agreement and refund a portion of the Service fee paid by Client for the period in which the Services were affected by such infringement.

7.3 AssetWorks will not be liable for any infringement Claim based upon any (i) modification of the Services made by anyone other than AssetWorks; (ii) use of the Services in combination with any service, software, or other technology not supplied by AssetWorks or in which the Services were not intended to be used, to the extent such Claim would not have arisen but for such combination (regardless of whether or not AssetWorks has advised Client that such use would likely result in a Claim of infringement by a third party); or (iii) use of the Services contrary to the terms of this Agreement.

7.4 THE FOREGOING STATES ASSETWORKS' SOLE AND EXCLUSIVE LIABILITY AND THE SOLE AND EXCLUSIVE REMEDY OF CLIENT WITH RESPECT TO ANY CLAIM OF INFRINGEMENT OR MISAPPROPRIATION OF INTELLECTUAL PROPERTY RIGHTS OR PROPRIETARY RIGHTS OF ANY THIRD PARTY.

7.5 Client shall defend and indemnify AssetWorks from and against any and all Claims, liabilities, damages, costs, and expenses, including reasonable legal fees, arising from or related to the exclusions set forth in Section 7.3 or violation of Section 2.2.

8. Limitation of Liability.

8.1 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.

8.2 AssetWorks' entire liability under this Agreement or in any way related to the Services will be limited to direct damages in an amount equal to the fees paid by Client to AssetWorks pursuant to the applicable SOW during the twelve (12) month period immediately preceding the Claim.

9. General.

9.1 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York without regard to conflicts of law principles.

9.2 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable for any reason, such provision will be changed and interpreted to accomplish the objectives of such provision to the greatest extent possible under applicable law and the remaining provisions hereof shall be unaffected and remain in full force and effect.

9.3 Modification and Waiver. Any modification, amendment, supplement, waiver, or other change to this Agreement must be in writing and signed by duly authorized representatives of each party. Any waiver or failure to enforce any provision of this Agreement on any occasion shall not be deemed a waiver of any other provision or of such provision on any other occasion.

9.4 Assignment. Neither party may assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the other party's prior written consent, which shall not be unreasonably withheld; provided, however, either party may assign this Agreement in its entirety, without the other party's consent, in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of its assets. This Agreement shall be binding upon and inure to the benefit of the successors in interest and permitted assigns of the respective parties.

9.5 Remedies. The parties agree that monetary damages are an inadequate remedy for breach of Sections 2 and 5, and further recognize that any such breach would cause irreparable injury for which there would be no adequate remedy at law; therefore, the parties agree that the non-breaching party may seek equitable remedies, including, without limitation, injunctive relief and specific performance (without obligation to post a bond) from a court of competent jurisdiction, in addition to other remedies available at law or in equity.

9.6 Survival. All provisions of this Agreement, which by their nature should survive termination of this Agreement, will so survive.

9.7 Force Majeure. Neither party shall be in breach of this Agreement nor liable for delay in performing or failure to perform any of its obligations under this Agreement if such delay or failure result from events, circumstances, or causes beyond its reasonable control; provided, that the party affected by such failure or delay gives the other party prompt written notice of the cause and uses commercially reasonable efforts to correct such failure or delay within a reasonable period of time.

9.8 Headings. The headings and subheadings contained herein are inserted for convenience of reference only and shall in no way be construed to be interpretations of terms.

9.9 Notices. All notices under this Agreement shall be in writing and shall be deemed given upon personal delivery, delivery by prepaid overnight courier, facsimile or electronic mail transmission with receipt acknowledged, or three (3) business days after deposit in the mail via first class mail postage prepaid to the intended recipient at its address listed above or other such address as the parties may indicate in writing.

9.10 Entire Agreement. This Agreement, including SOWs or other attachments hereto and any amendments or written documentation executed by the parties, are the final, complete, and exclusive agreement between the parties relating to the subject matter hereof, and supersede all prior or contemporaneous proposals, understandings, representations, warranties, promises, and other communications, whether oral or written, relating to such subject matter.

9.11 Counterparts. This Agreement, and any amendment or waiver of the terms hereof, may be signed in counterparts, each of which will constitute an original and all of which together will constitute one and the same instrument. Any signature may be delivered by facsimile or electronic format, which will have the effect of an original signature.

The parties, through their authorized representatives, have executed this Agreement as of the Effective Date.

Ravenswood City School District

By: _____

Name: _____

Title: _____

Date: _____

AssetWorks Risk Management Inc.

By: _____

Name: _____

Title: _____

Date: _____