



HP Financial Services

Financial Services Proposal

Prepared for: Highland School District
Submitted: October 2, 2013

With technology changing everyday, leasing provides you with the flexibility you need to meet your ongoing business needs, as well as being a cost effective way to use operating capital and preserve bank credit lines. The following payment alternatives are available from HP Financial Services.

Tax Exempt Installment Sale (\$1 Buyout)

In a Tax-exempt Installment Sale structure, payments consist of both principal and interest, with the interest being excludable from the Lessor's gross income for Federal income tax purposes. During the term of the Lease the Concluding Payment – primarily consisting of unpaid principal would decline as each Lease Payment was made and applied. Under this structure Title typically passes to the Lessee at the Lease Acceptance and the Lessor would file a security interest in the equipment. Once the original base Lease Payments are made the Lessee owns the equipment free and clear.

Product Cost	\$469,395.00
Purchase Option	\$1.00 Buy-Out (TEIS)
Lease Term	3 Years (Annual Payments – Adv.)
Monthly Payments-adv.	\$162,391.89

Pricing is valid only if product is delivered and accepted by December 31, 2013.

We appreciate the opportunity to provide you with this proposal. Please call me if you have any questions, or if I can be of further help.

Sincerely,

Sean Capria
Financial Area Manager
315-317-0668 Phone
Sean.capria@hp.com

Confidentiality: This letter is delivered to you with the understanding that neither this letter nor its substance shall be disclosed by Lessee to any third party.

Basis of Proposal:

This letter is a proposal for discussion purposes only and does not represent either an offer or a commitment of any kind on the part of HPFS. It does not purport to be inclusive of all terms and conditions that will apply to a leasing transaction between us. Neither party to the proposed transaction shall be under any legal obligation whatsoever until, among other things, HPFS has obtained all required internal approvals (including credit approvals) and both parties have agreed upon all essential terms of the proposed transaction and executed mutually acceptable definitive written documentation. This proposal can be modified or withdrawn by HPFS at any time.

Either party may terminate discussions and negotiations regarding a possible transaction at any time, without cause and without any liability whatsoever.



Questeq
Phone: (412) 375-0300
Fax: (412) 375-0301
420 Rouser Rd, Building 3 LL1
Coraopolis, PA 15108

Quote
No.: 989
Date: 9/24/2013

Prepared for:
Dr. Michael Bjalobok (724) 226-2400
Highlands School District
1330 Eleventh Ave
PO Box 288
NATRONA HEIGHTS, PA 15065

Prepared by: Scott Hemphill
Account No.: 20541
Phone: (724) 226-2400

Quantity	Item ID	Description	UOM	Sell	Total
QUESTEQ IS A PA COSTARS 3 STATE CONTRACT RESELLER OF HP TABLETS AND PERIPHERAL					
HP ELITEPAD 900 W/ 64 GB SSD HARD DRIVE OPTION					
750	10984548	HP ElitePad 900 G1 - Tablet (no keyboard) - Atom Z2760 / 1.8 GHz - Windows 8 Pro 32-bit - 2 GB RAM - 64 GB SSD - 10.1" wide 1280 x 800 - NFC	EA	\$443.00	\$332,250.00
750	10968304	ELITEPAD DOCKING STATION	EA	\$65.00	\$48,750.00
750	11054934	ELITEPAD EXP JKT W/BATT	EA	\$75.00	\$56,250.00
750	10225671	3Y PICKUPRETURN NB ONLY SVC	EA	\$42.00	\$31,500.00
NOTE: THIS IS A STANDARD DEPOT 3 YEAR WARRANTY. COVERS NORMAL MALFUNCTION WITH STANDARD USE. DOES NOT COVER VANDALISM OR POST-DELIVERY PHYSICAL SCREEN DAMAGE					
OPTIONAL PRODUCTIVITY JACKET FOR POWER USERS.					
5	11114090	ELITEPAD PRODUCTIVITY JACKET	EA	\$129.00	\$645.00
NOTE: QUOTE CONTAINS A DISCOUNT OF \$353,850.00 IN HP DISCOUNTS AND INCENTIVES OFF OF MSRP					
ORDER WOULD NEED TO BE PLACED BY TUESDAY, OCTOBER 15TH TO TAKE ADVANTAGE OF HP TARGET DISCOUNTS					
FREE SHIPPING IF ENTIRE ORDER IS SHIPPED TO ONE DISTRICT ADDRESS					

Your Price: \$469,395.00

Total: \$469,395.00

Prices are firm until 10/8/2013 Terms: 2-10 Net 30

Quoted by: Scott Hemphill, ScottH@questeq.com

Date: 9/24/2013

Accepted by: _____

Date: _____

Disclaimer

Pricing subject to change due to market fluctuations, manufacturer rebates, and manufacturer pricing changes. Should prices change between quote time and the processing of a Purchase Order by the customer, Questeq will hold the order to inform the end-user of the price change before proceeding, and wait for customer authorization to go ahead with the order with the price change.

Highland School District

HPFS Quote Date: 10/02/2013

Pricing Expires 12/31/13

Tax Exempt Installment Sales (1.00 Buyout Lease)				3 Year Annual Payments		3 Year Annual Payment	
Equipment Quote 989				TEIS		TEIS	
				Lease Rate		(\$1 buyout)	
				Factors		Lease Payment	
Purchase Price	Extended	Cost	Qty	Each	Cost	Each	Cost
HP Elite Pads 900 w/ 64 GB SSD HD	\$ 332,250.00	\$ 443.00	750	\$	332,250.00	0.34596	\$ 114,945.21
Docking Station	\$ 48,750.00	\$ 65.00	750	\$	48,750.00	0.34596	\$ 16,865.55
JKT w/ Batt	\$ 56,250.00	\$ 75.00	750	\$	56,250.00	0.34596	\$ 19,460.25
Productivity Jacket	\$ 645.00	\$ 129.00	5	\$	645.00	0.34596	\$ 223.14
3 Year Pick up Return NB Only SVC	\$ 31,500.00	\$ 42.00	750	\$	31,500.00	0.34596	\$ 10,897.74
TOTALS	\$ 469,395.00						\$ 162,391.89

TITLE:

Title transfers to the lessee at lease inception for tax reporting on the installment sale lease. Title remains with the Lessor throughout the lease term on the fair market value lease option.

OTHER COSTS:

Lessee shall be responsible for any and all taxes (if required), maintenance, and insurance.

LEASE ADDITIONS:

Additions can be made to the Agreement at later dates. All additions will be added for the remaining term of the original

OFFER SUBJECT TO CREDIT APPROVAL:

This proposal is subject to formal credit review and approval by HPFS, as Lessor and execution of a lease agreement and related documents mutually acceptable to the Customer as Lessee, and HPFS. Such documentation may include terms and conditions or other matters that are not specifically covered by or made clear herein. The resultant lease agreement and related documents, not this proposal nor the request to which it is responsive, shall govern the contractual relationship between the Lessor and the Lessee.

Highland School District

HPFS Quote Date: 10/01/2013

Pricing Expires 12/31/13

Tax Exempt Installment Sales (1.00 Buyout Lease)				36 Months - Monthly Billing			
Equipment Quote 989	Cost	Qty	Purchase Price	36 Months	TEIS		
	Each		Extended	Lease Rate	(\$1 buyout)		
			Cost	Factors	Lease Payment		
HP Elite Pads 900 w/ 64 GB SSD HD	\$ 443.00	750	\$ 332,250.00	0.02919	\$	9,698.38	
Docking Station	\$ 65.00	750	\$ 48,750.00	0.02919	\$	1,423.01	
JKT w/ Batt	\$ 75.00	750	\$ 56,250.00	0.02919	\$	1,641.94	
Productivity Jacket	\$ 129.00	5	\$ 645.00	0.02919	\$	18.83	
3 Year Pick up Return NB Only SVC	\$ 42.00	750	\$ 31,500.00	0.02919	\$	919.49	
TOTALS			\$ 469,395.00		\$	13,701.64	

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Highlands School

Proposal Technology Services

Questeq, Inc.
420 Rouser Road, Suite LL1
Coraopolis, PA 15108

Tel: (412) 375-0300
Fax: (412) 375-0301

October 2013

Questeq Proprietary and Confidential

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EXECUTIVE SUMMARY



Established in 1983, Questeq has served the education market for over 30 years. Questeq fully understands the current and future challenges that districts face with technology. Reliability, sustainability, daily support, classroom integration and learning strategies continue to evolve at a rapid pace.

Questeq has spent years developing and delivering an outsourced Educational Technology Management service model designed specifically for K12. Our service model is built to meet the various needs and budgets of any school district and can be implemented from individual components to a complete turnkey solution.

Questeq has maintained a **98%** customer retention rate over the past six years, which proves that our extensive customer base (Appendix A) trusts and relies upon the financial and strategic benefits of our services.

Additionally, the entire Questeq organizational structure is uniquely designed, positioned in size, experience and capabilities to deliver a world class technology program while improving **student engagement and achievement**.

EXPERIENCE AND QUALIFICATIONS

Questeq has over 80 employees delivering our Educational Technology Management service model in more than 25 school districts (three states).

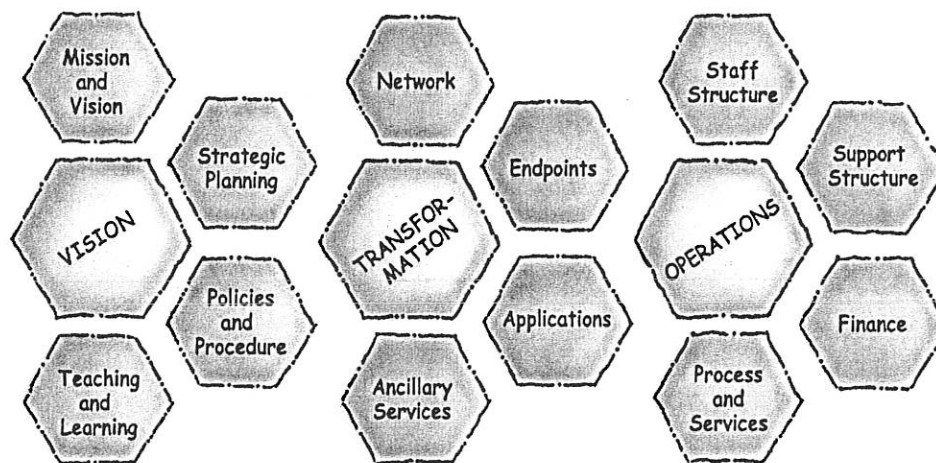
Questeq is responsible for the following technology items throughout our K12 customer base:

- Over 25,000 desktops, laptops, tablets, projectors, interactive boards and other devices
- Over 400 physical and virtual servers
- Help Desk Services to over 15,000 teachers and staff
- Over 100 projects ranging from wireless upgrades to IP camera system installations
- Monitoring and management of 500 network switches and wireless access points
- Multimedia equipment including video distribution, IP TV, Video on Demand (VOD), Production Studios
- Multiple instructional applications and administrative systems (Prosoft, CSIU, Powerschools...)
- District technology budgets including asset refresh and procurement strategies
- Multiple third party software and hardware vendors
- State reporting requirements (PIMS, PATI...)

QUESTEQ SOLUTION

Questeq's recent assessment of the Highlands School technology operation identified the critical starting points required to successfully transform the department. The following proposal provides an opportunity for the district to implement the Questeq Educational Technology Management service model beginning with individual components.

Questeq Educational Technology Management (ETM) Model



PROPOSAL OVERVIEW

Questeq will provide the key resources required to begin the department transformation. To manifest this transition each resource will be provided with a proven Questeq job description which is aligned to new processes such as tiered escalation and defined roles in the support of functional areas. Additionally these resources will be backed by Questeq's entire management team and employees actively working in other districts. Resources include the Director of Technology, Technology Support Specialist and Tier 1 Help Desk Services.

SCOPE OF SERVICES

DIRECTOR OF TECHNOLOGY

Questeq's will provide one (1) Experienced Director of Technology dedicated to the Highlands School.

Added Value – Questeq will provide the following items in addition to the Director of Technology resource:

- ❖ Proven Questeq job description
- ❖ CoSN CETL certification development
- ❖ Personal skills and professional development opportunities
- ❖ Real-time collaboration (Video, Chat, Phone) with other Questeq directors of technology currently working in multiple PA districts
- ❖ Access to proven processes and procedures developed by Questeq in multiple districts
- ❖ Access to Questeq's extensive vendor partnerships and distribution channels
- ❖ Access to Questeq Project Services resources

Resource Qualifications – Questeq requires the resource to be qualified in the following areas:

- ✓ Experience with leadership & vision
- ✓ Experience with strategic planning
- ✓ Familiarity with ethics & policies
- ✓ Instructional focus & familiarity with professional development
- ✓ Experience with team building & staff development
 - Clearly defined and consistently communicated staff performance expectations
 - Creating innovation and supporting continuous staff improvement
 - Rating, rewarding, and holding staff accountable for achieving specific goals
- ✓ Extensive experience with Information Technology Management
- ✓ Familiarity with communication and business systems management
- ✓ Experience with data management

LEAD COMPUTER SPECIALIST

Questeq's will provide one (1) Lead Technology Support Specialist dedicated to the Highlands School.

Added Value – Questeq will provide the following items in addition to the resource:

- ❖ Proven Questeq job description
- ❖ Personal skills and professional development opportunities
- ❖ Real-time collaboration (video, chat, phone) with other Questeq engineers
- ❖ Guidance and support on properly managing and supporting multiple staff
- ❖ Access to proven processes and procedures developed by Questeq in multiple districts

Resource Qualifications – Questeq requires the resource to be qualified in the following areas:

- ✓ Experience providing computer and network support in a supervisory capacity
- ✓ Familiarity with an educational environment

- ✓ Ability to coordinate technology support operations
- ✓ Ability to train and evaluate the work of technical staff
- ✓ Must possess extensive troubleshooting skills
- ✓ Working technical knowledge of hardware/software systems
- ✓ Ability to work well in a demanding and fast-paced environment
- ✓ Excellent interpersonal skills for both internal and external communications
- ✓ Excellent organization, customer service and problem-solving skills

TIER 1 HELP DESK SUPPORT

Questeq will supply a Help Desk team responsible for Tier 1 technical support requests. Essential Tier 1 support functions include:

- ✓ Answer inbound calls and email/web submissions
- ✓ Register and assign a ticket number
- ✓ Classify and categorize incidents (e.g. determine impact)
- ✓ Resolve as many calls as possible
- ✓ Communicate as appropriate to other service providers to resolve service calls
- ✓ Communicate with all affected entities about issue progress
- ✓ Initiate crisis management procedures, escalation and contingency procedures as agreed

TRANSITION PLAN

Questeq's Transition Manager is responsible for executing our comprehensive account transition process beginning immediately upon legal execution of the service agreement. The Transition Manager will provide detailed plans and constant communications during the one month transition process.

Questeq's Client Relationship Manager will assume account responsibility upon the conclusion of our transition process.

CLIENT RELATIONSHIP MANAGEMENT

Questeq's Client Relationship Manager (CRM) is responsible for managing all aspects of Questeq's working relationship with the Highlands School District throughout the service agreement term. The Questeq CRM is responsible for high quality service delivery, communications and client satisfaction. The CRM will facilitate regular meetings to proactively review the daily operations execution and provide the following reports:

Report to the Superintendent

Questeq will provide a monthly report to the Superintendent with the following information:

- ✓ Summary of current projects and their status
- ✓ Projected future projects including a timeline, summary budget and rationale
- ✓ Description of major outages and issues including actions taken to troubleshoot and resolve
- ✓ Employee relations issues and areas of improvement to be addressed

Technology Operations Reports

Reports will be generated and distributed in December and June to cover each previous six month increment of the school year. Foundational metrics are defined below for each of the reporting periods and cover the following operational areas: core network, core systems, application support (administrative & instructional), multimedia, budget, computer assets, state mandated reporting, and personnel.

1st Report Profile (Covering July-December)

- ✓ Cumulative uptime % of core switch(s) for the reporting period (core network)
- ✓ Cumulative uptime % of servers(s) for the reporting period (core systems)
- ✓ Helpdesk ticket count and closure statistic for 1st, 2nd, 3rd and 4th tier escalations
- ✓ Year-to-date technology budget expenditure report (budget)
- ✓ Annual computer inventory report (computer assets)

2nd Report Profile (Covering January-June)

- ✓ Cumulative uptime % of core switch(s) for the reporting period (core network)
- ✓ Cumulative uptime % of servers(s) for the reporting period (core systems)
- ✓ Helpdesk ticket count and closure statistic for 1st, 2nd, 3rd and 4th tier escalations
- ✓ Annual synopsis of completed state mandated reporting
- ✓ Annual performance evaluations of all technology staff (personnel)

PRICING

Questeq has successfully managed fixed fee agreements with school districts for over 20 years. Part of our continued high customer retention rate is due to our commitment to minimal incremental billing over the life of the agreement.

Services	Startup Cost	Term	
Includes Director of Technology, Technology Support Specialist and Help Desk Services.	One time startup costs	Three year term pricing (Contract start date 11/1/2013)	
	Fee Waived	Year 1 2013-2014	\$165,000
		Year 2 2014-2015	\$168,300
		Year 3 2015-2016	\$171,600

Legal Agreement

Questeq will provide a full legal document for signature once the proposal is approved.

Customer Satisfaction Survey

In order to assess overall effectiveness and user satisfaction with the services provided, Questeq will conduct surveys of users and stakeholders at the Highlands School.

1. *Overall Satisfaction Survey* – Surveys will be created and executed once a year and the results reviewed by Questeq and the district administrative team. Questeq will also share the results with the school board as part of the annual review.
2. *Help Desk Request Transactional Survey* – Survey links will be included in every ticket response email that will allow submitters to provide feedback on the satisfaction of individual support transactions. Questeq will share the results with the Highlands School during the monthly review process where improvements will be identified and action plans will be developed.

APPENDIX A – CUSTOMER REFERENCE LIST

Questeq can provide a complete list of references from over 20 school districts upon request. The following represents a partial customer list:

● **Moon Area School District**

2006 to present. Complete Technology Departmental Outsource
Mr. Alan Bennett, Director of Fiscal and School Services

☎ (412) 264-9440 ext. 1102

✉ abennett@moonarea.net

● **North Hills School District**

2008 to present. Complete Technology Departmental Outsource
Dr. Patrick Mannarino, Superintendent of Schools

☎ (412) 318-1004

✉ mannarinop@nhsd.net

● **South Side Area School District**

2009 to present. Complete Technology Departmental Outsource
Ms. Tammy H. Adams, Assistant Superintendent

☎ (724) 573-9581 ext. 2612

✉ tha@sssd.k12.pa.us

● **Riverside Beaver County School District**

2004 to present. Complete Technology Departmental Outsource
Dr. David Anney, Superintendent of Schools

☎ (724) 758-7512

✉ danney@riverside.k12.pa.us

● **West Allegheny School District**

2001 to present. Complete Technology Departmental Outsource
Dr. John DiSanti, Superintendent of Schools

☎ (724) 695-5210 ext. 5212

✉ jdisanti@westasd.org

● **Cornell School District**

2001 to present. Complete Technology Departmental Outsource
Mr. Aaron Thomas, Superintendent of Schools

☎ (412) 264-5010 ext. 120

✉ athomas@cornell.k12.pa.us

7.1 *Substitute Teacher Call List*

Vogel, Shawn - Health / Phys Ed
Putzlocker, Morgan - Elementary K-6
McGowan, James - Elementary K-6
Stuart, Nicola - Special Ed / Elementary k-6
Lynch, Amy - Early Elementary
Pallone, Meighan - Elementary
Cottone, Lauren - Art K-12
Pingor, Lindsay - Elementary / MS Math / MS English

7.2 *Substitute Nurse Call List*

Schiebel, Mary

7.3 *Substitute Custodian Call List*

Reynolds, Travis

**Highlands School District
Use of Facilities
October, 2013**

- **COMMUNITY CENTER**

Oct 22, 2013 to March 15, 2014
6pm - 7:30pm
Every Mon, Tues, Thurs, Fri
Elementary Wrestling
Contact: Grant Walters
No Fees

- **HIGH SCHOOL CAFETERIA**

Sunday December 8, 2013
Gridiron – Varsity Football Banquet
Contact: Amy McKinney
No Fees

Monday October 21, 2013
Volleyball Boosters – Volleyball Banquet
Contact: Phyllis Penn
No Fees
RATIFY

- **GRANDVIEW GYM & CAFETERIA**

Oct 28, 2013 – March 7, 2014
Every Monday, Tuesday, Wednesday, Thursday, Friday
5:30pm – 9:30pm
Elementary Basketball
Contact: Liz Thimons
No Fees

- **GOLDENRAMS STADIUM**

Thursday Oct 10, 2013
6pm – 8pm
Gridiron - Varsity Football Pep Rally
Contact: Amy McKinney
No Fees
RATIFY

Saturday Nov 2, 2013

6pm – 9pm.

Jennifer Moser Chiusano Scholarship Fundraiser - Faculty Flag Football Game

Contact: Sal Chiusano

No Fees

- **MIDDLE SCHOOL AUDITORIUM**

Wednesday Oct 30, 2013

7pm – 9pm

Public Meeting regarding Marcellus Shale Drilling

Contact: Bridget Hartman (Senator Ferlo's office)

No Fees

- **SOFTBALL FIELD**

Sunday Oct 20, 2013

1pm – 4pm

Ben Swantner Memorial Softball Game

Contact: Mark Fleck

No Fees

RATIFY