

**KENTUCKY'S COOPERATIVES
INVITATION TO BID**

REFERENCE: F/A – 04- 2002
BID OPENING: Tuesday 3:00 p.m., March 5, 2002
CONTRACT START DATE: April 1, 2002 at 12:01 a.m.

ITEMS: Fixed Assets

The participating Boards of Directors of the Cooperatives invites you to submit a sealed bid on valuing fixed assets for participating member school districts in accordance with the detailed specifications and general conditions of this bid. Bids must be received at the KEDC office at 904 Rose Road, Ashland, KY 41102- 7104, not later than the specified bid opening date and time. The public notice for this invitation and the invitation itself can be viewed, downloaded, or printed from the Internet at KEDC's Internet site www.kedc.org or www.kedc.coop.k12.ky.us prior to the date and time specified for the bid opening.

TIME AND PLACE OF BID OPENING

Bids will be opened at the KEDC office at 904 Rose Road, Ashland, KY 41102-7104 at 3:00 p.m., Friday, March 1, 2002. All bids must be received by the time designated and none will be considered thereafter. Failure to have bid in prior to bid opening will automatically prevent the reading of your bid and such bids will be returned to the bidder. KEDC and the participating boards of education cannot assume the responsibility for any delay as a result of failure of the mails or delivery services to deliver bids on time. (Please note that FED EX does not guarantee delivery time to KEDC because they classify KEDC as being in a rural area.) At the specified time, all bids will be opened and the name of each bidder and each district will be read aloud. Any interested parties may attend. No immediate decision will be rendered concerning the proposals submitted.

BID TABULATION

Tabulations will be made by the participating cooperatives and each qualified bidder will be mailed a formal tabulation after the Cooperative's Boards has taken official action.

CLARIFICATION

Contact KEDC Bidding Department
(606) 928-0205

www.kedc.org or www.kedc.coop.k12.ky.us
bidding@kedc.coop.k12.ky.us

GENERAL CONDITIONS AND INSTRUCTIONS FOR BIDDERS

These General Conditions and Instructions apply to all bids, except to the extent they may be modified by the Proposal Forms. Any deviations or exceptions are to be explained as a part of the bid offer.

Participating School Districts

Fixed asset valuation data is attached for districts that anticipate participation, subject to approval by local boards of education.

AUTHENTICATION OF BID AND STATEMENT OF NON-CONFLICT OF INTEREST

By my signature on the bid form, I hereby swear or affirm under penalty of false swearing as provided by KRS 523.040:

That I am the bidder (if bidder is an individual), a partner in the bidder (if the bidder is a partnership), or an officer or employee of the bidding corporation having authority on its behalf (if the bidder is a corporation);

That the attached bid or bids responding to the Fixed Asset Invitation to Bid have been arrived at by the bidder independently and have been submitted without collusion and without agreement, understanding, or planned common course of action, with any vendor or materials, equipment, or services described in the invitation to bid, designed to limit independent bidding or competition.

That the contents of the bid or bids have not been communicated by the bidder, or its employees or agents, to any person not an employee or agent of the bidder or its surety on any bond furnished with the bids and will not communicate to any such person prior to the official opening of the bid or bids.

That the bidder is legally entitled to enter into contracts with agencies of the Commonwealth of Kentucky and is not in violation of any prohibited conflict of interest, gratuities and kickbacks including those prohibited by the provisions of the Model Procurement Code (KRS Chapter 45A).

I understand the Kentucky Educational Development Corporation collective bidding process is conducted consistent with KRS Chapter 45A, the Model Procurement Code.

CERTIFICATION CONCERNING DISBARMENT AND SUSPENSION

I certify on behalf of myself, the company and its key employees that neither myself, the company or its key employees have been proposed for debarment, debarred, or suspended by any Federal Agency.

TERMS AND CONDITIONS

1. All bids shall be valid for a period of sixty (60) days from the bid opening date to allow for tabulation, study, and acceptance by the Board. A bidder may withdraw his bid after it has been submitted only if a written request is submitted and received prior to the expiration of the time during which proposals may be submitted, without prejudice to himself, by submitting a written request for its withdrawal to KEDC, Attn: KEDC bidding Department. Submit one (1) copy of the completed bid in a properly addressed envelope. All envelopes should be CLEARLY marked Fixed Asset Bid 2002. KEDC will NOT copy vendor information. The bidder should retain a duplicate copy. An officer or member of the bidding firm who is authorized to legally bind the firm must sign each bid form.

2. The General Specifications contain the following: “It is to be understood that the bidder, if awarded an order or contract, agrees to protect, defend, and save harmless the Board of Educations & participating Cooperatives from any suits or demands for payment that may be brought against it for the use of any patented material, process, article, or device that may enter into the manufacture, construction, or form a part of the work covered by either order or contract; and he further agrees to indemnify and save harmless the Board of Educations & participating Cooperatives from suits or actions of every nature and description brought against it for, or on account of any injuries or damages received or sustained by any party or parties by, or for any of the acts of the contractors, his servants or agents.” Any bidder that does not intend to abide by the above stated specification must state that in their bid proposal.
3. KRS 45A.455 prohibits conflicts of interest, gratuities, and kickbacks to employees of participating Cooperatives or the Boards of Education in connection with contracts for supplies or services whether such gratuities or kickbacks are direct or indirect.
4. KRS 45A.990 provides severe penalties for violations of the laws relating to gratuities or kickbacks to employees that are designed to secure a public contract for supplies or services.
5. No bid can be corrected, altered, or signed after being opened. All prices and quotations must be in ink or typewritten. No pencil figures will be accepted. Mistakes are to be crossed out and corrections inserted adjacent thereto and initialed by the person signing the bid.
6. Billing: Invoices for the Professional Service will be accepted as follows; 30% at the beginning of assignment (first day on-site), 50% upon completion of field work and 20% upon delivery of reports.
7. Termination of Contract: The contract shall be endorsed to provide the Board of Education a 90-day written notice of cancellation. The Board of Education may terminate the contract if the successful vendor fails to perform at any level specified in the contract document.

Procedure for Termination of Contract: Each party shall follow the procedure outlined below if a contract is to be terminated.

- Step 1: Issue a warning letter and outline the violations and the length of time to correct the problem.
- Step 2: Issue a letter of intent to cancel contract if the problem is not resolved by a given date.
- Step 3: Issue a letter of intent to cancel contract.

8. The Board of Education reserves the right to waive defects and informalities in proposals, to reject any or all proposals, or to accept any proposal as may be deemed to its interest, and to award items, combination of items, or lots. In case of identical bids the Board reserves the right to select and to award the contract by whatever method it chooses.

SCOPE OF WORK

VENDOR CONTACT:

Vendor will designate one individual who will represent them to the Cooperative members during the agreement period. This contact person will correspond with each ordering district for technical assistance, problems, or questions that may arise. Include instructions if different contacts for different geographical areas are needed, this information will be distributed to the Cooperatives Bid Member Districts upon award of this bid.

Vendor must identify with bid response what district resources (staff) will be needed and what hours the vendor will work (during or after school).

Vendor must include with bid response:

- A statement of the firm's qualifications and each appraiser's qualifications.
- A statement that the firm has the resources to undertake a project of this size.
- Sample reports including the information requested in the section marked reports.
- Client references of similar size or scope.
- Description of timeline to complete ALL PARTICIPATING DISTRICTS.

Machinery, equipment, and furniture and fixtures will be included based on a physical inventory by vendor staff. All items with estimated historical costs greater than \$ 1,000 must be included, along with KETS Master Plan Line Items greater than \$1,000. Each computer will be inventoried (regardless of cost) as a unit consisting of a CPU, monitor, keyboard and mouse, as appropriate.

ASSETS TO BE APPRAISED

The fixed assets to be included in the engagement are contained in the District-owned/leased buildings. Vendor will appraise the following broad accounts:

- Buildings and building services
- All school buses
- KETS master plan line items – More than \$1,000 original cost
- All Computer workstations
- All other licensed vehicles
- Other technology
- Rolling stock – more than \$1,000 original cost
- Food service equipment – more than \$1,000 original cost
- Furniture and fixtures – more than \$1,000 original cost
- Other general equipment – more than \$1,000 original cost

Leased equipment, expendable inventories and supplies, and personal property of employees and others will be excluded. **ALL OTHER EXCLUSIONS MUST BE LISTED WITH BID RESPONSE!**

Conduct an inventory and tag furniture, fixture and equipment items with historical costs greater than a predetermined threshold. Each item inventoried should be identified by generic name, manufacturer's name, model number, serial number, tag number, acquisition date, funding source and cost, to the extent possible.

Review existing recorded data to ascertain historical costs, especially with regard to assets purchased under Chapter I, Chapter II, Title VIB, the PL94-142 program, or other federal or state funding sources. The historical costs not identified during this cost finding phase will be developed using generally accepted appraisal procedures, including the use of catalogs & pricing services.

Assign acquisition dates to the inventory items, where not provided.

Calculate depreciation, both current and accumulated, in accordance with GASB 34.

Develop and process final reports.

REPORTS

In addition to various summaries by asset type, location, funding source, etc., reports must include the following information, by asset:

- A. Item number within report
- B. Type of asset
- C. Description of the asset including manufacturer's name, generic name, model number, etc.
- D. Serial number
- E. Tag number, where applicable
- F. Building
- G. Room
- H. Funding source, as available
- I. Acquisition date
- J. Historical cost
- K. Depreciation, both current and accumulated

In addition to the bound copies of the report, vendor will provide the report data in spreadsheet format (Microsoft Excel), database format (Microsoft Access), and/or ASCII format to allow for conversion onto most PC- or mainframe-based fixed asset systems.

FIXED ASSETS

Definition: This property is governed by audit requirements associated with control, accounting, and disposal. A fixed asset is defined as real property costing \$ 1,000.00 or more that has a useful life of more than 1 year. ALL KETS Master Plan line items with an original cost of \$1,000 or more and all Computer Workstations will be considered a fixed asset.

INSURABLE VALUES – Optional for districts

If authorized, for insurance purposes, vendor will provide opinion of Cost of Reproduction New.

Cost of Reproduction New (CRN) defined as the amount required to reproduce the entire property at one time in like kind and materials in accordance with current market prices for materials, labor and manufactured equipment, contractors' overhead and profit , and fees, but without provision for overtime or bonuses for labor and premiums for material or equipment. Cost of Reproduction New is synonymous with the insurance industry term "Replacement Cost".

The insurance summary report will include both buildings and contents. Vendor must attach pricing structure for this service.

FIELD PROCEDURES AND SPECIFIC DATA ELEMENTS TO BE COLLECTED

Planning Meeting

It is recommended that an initial planning meeting be held with the appropriate personnel to firmly establish parameters to be followed during the engagement.

Specific Data Elements

This detailed inventory and appraisal service will include a physical inspection and inventory of all District-owned property previously identified as being included in this engagement. The specific data elements to be captured are as follows:

- 1) Asset Location – A system to identify the physical location of the appraised property (site, floor).
- 2) Building Identification – Where used, existing numerical identifications will remain; unidentified space will be numbered sequentially following the last assigned number.
- 3) Department – Existing numbers will be utilized. When not available, vendor will identify those particular areas. Generally, only one unit number will be applied to a particular space. The largest department representation will be utilized.
- 4) Asset Number – A sequentially assigned asset number placed on controlled property by the fixed asset system. This should be a bar coded tag that is affixed to each controllable asset.
- 5) Asset Account – A major group of property to identify major groupings of assets, i.e., equipment, vehicles, etc.
- 6) Asset Class – A subdivision of property to further identify assets, i.e., outdoor equipment, business machines, data processing equipment, furniture, audiovisual equipment, etc.

- 7) Quantity – Unit-controlled property will be recorded as one.
- 8) Asset Description – Manufacturer’s name, model, generic nomenclature, and serial number will be utilized for unit property.
- 9) Acquisition Date – When available, vendor will use the actual acquisition date of property. In the absence of readily available information, the acquisition date will be estimated based upon the knowledge of the property type and its condition.
- 10) Estimated Life – An estimate will be made of the useful life based on the life Schedule supplied by the Kentucky Department of Education.
- 11) Original/Historical Cost – Where known, vendor will use the actual original cost and acquisition date for the property inventoried. When invoices or accurate records are not readily available, vendor will utilize standard valuation methodology as described within this document.
- 12) Fund Code/Source: Where provided, this information will be contained in the record.

COSTING

Vendor will assign an estimated original cost and year of acquisition to each controllable unit.

Vendor will appraise major pieces of equipment (i.e. mainframe systems, telephone systems) using the direct costing method. Items such as furniture, personal computers, furniture and equipment, etc. will be appraised using the normal costing method.

Direct Costing – Inventoried assets will match a historical cost record and will be recorded at that amount, if possible.

Normal Costing – When direct costing cannot be employed to apply historical cost, the cost is estimated based on a current Cost of Reproduction New indexed by a reciprocal factor of the price increase from the estimated date acquired to the appraisal date. GAAP states “Fixed assets should be accounted for at cost, or if the cost is not practicably determinable, at estimated cost.” (Section 2.12 of HBJ MILLER Governmental GAAP Guide 1999).

In connection with this task, district should make available to vendor all pertinent documentation such as existing records, contracts, invoices, construction payout statements, appraisals and lists of leased or rented equipment.

TAGGING

Numerically sequenced bar code tags as contained in the starter kit supplied by BMI will be applied by vendor to each item of equipment inventoried. These tag numbers will be included in vendor's computer reports in the asset number field. Vendor must also supply an inventory of Tags used, voided or destroyed and returned to the district (account for all tag #'s).

Note: General rule is to apply the bar code in the front, lower left corner or inside a front drawer or door to allow easy access during inventory scanning.

1. Computer CPU's, printers, scanner, and basic equipment: upper left side.
2. Wood and metal shop equipment: as close to the serial number as possible.
3. Fireproof file cabinets: Front, lower left corner.
4. Land, buildings, vehicles, some athletic equipment (i.e. wrestling mats, football sleds etc.), playground equipment and other such assets as identified will be maintained on a property card. Contact the Fixed Asset Coordinator for guidance.
5. Equipment, furniture and other assets inside pedestal or as appropriate.
6. Kitchen or shop equipment: front, lower left corner or inside front cabinet door or drawer. (Cleaning solvent can eventually strip the magnetic fields/numbers on the bar codes.)

LAND APPRAISAL – Optional for districts

Vendor will utilize information supplied by the District on owned land. In those instances where original cost information is not available, vendor will research the data to be supplied by the District in an attempt to determine the original cost. If these procedures do not identify an appropriate original cost, Vendor will estimate the original cost by establishing a current value and then back trending it utilizing custom indices to the year of acquisition.

REPORTS FURNISHED AND DELIVERY

Reports will be delivered within six weeks from completion of the inventory. The District will receive a full complement of reports (in duplicate) reflecting the results of the vendor's investigation to include:

- (1) A narrative for use by management and outside auditors
- (2) Glossary of Accounts and Descriptive Abbreviations
- (3) Following Standard Appraisal Reports:
 - Property Accounting Summary
 - Property Accounting Ledger Reports
 - Insurance Summary (if authorized)

All reports will be laser printer quality and will be printed on 8 1/2" X 11" paper. In addition, vendor will provide a copy of the property record master file on diskette in spreadsheet format (Microsoft Excel), database format (Microsoft Access), and/or ASCII (ASC II) at no additional cost.

Vendor will provide a Summary Appraisal Report, intended to comply with the reporting requirements set forth by the Uniform Standards of Professional Appraisal Practice ("UAPAP") for a Summary Appraisal Report. As such, the report will present summary discussions of the data, reasoning, and analyses used in the appraisal process to develop Vendors opinion of value. Supporting documentation concerning the data, reasoning, and analyses should be retained as part of your work papers.

FILE CONVERSION FOR LOADING TO MUNIS

A conversion program developed by BMI must be applied to the master file created by Vendor for uploading to MUNIS and BMI Asset Track software.

EVALUATION CRITERIA

Bids shall be evaluated on the following criteria:

The qualifications of the firm and its staff	25%
The cost and fee structure for services	25%
Time to complete project, all districts	25%
Responsiveness to the requirements of the RFP	10%
The ability of the firm to minimize disruptions to the School District Staff and operations, during the conduct of the project	15%

**KENTUCKY COOPERATIVES
FIXED ASSET
BID RESPONSE FORM**

\$ _____ . _____ per student **FIXED ASSETS**

\$ _____ . _____ per parcel **LAND**

\$ _____ . _____ Buildings **PER SQUARE FOOT**

_____ **Minimum # of districts for bid to be valid**

_____ **# of weeks needed to complete ALL Districts**

NOTE: Include all requested information with bid form in Triplicate. Also include additional options in Triplicate.

Bidding Firm _____

Authorizing Signature _____

Printed Name _____

Date: _____

Phone: _____