

EXECUTIVE SUMMARY

Direct Negotiation Recommendation of \$500,000 or Less 19-115E – Classroom Supply Purchases and Reimbursement System

Introduction

Responsible: Procurement & Warehousing Services (PWS)

This request is to approve the Agreement between Kleo, Inc. (ClassWallet) and The School Board of Broward County, Florida (SBBC), starting January 15, 2019 through January 16, 2022, with an option for two (2) additional one (1) year renewal periods. ClassWallet provides software as a service and will be funded by the Talent Acquisition & Operations Department. Implementation will be effective for the 2019-2020 school year.

Goods/Services Description

Responsible: Talent Acquisition & Operations

Florida Statute 1012.71, The Florida Teachers Classroom Supply Assistance Program appropriates funding for eligible classroom teachers to purchase classroom materials and supplies for the public-school students assigned to them and may not be used to purchase equipment. The amount each school district receives is based upon each school district's proportionate share of the state's total unweighted full-time equivalent student enrollment.

The District calculates an identical amount for each "eligible 'classroom teacher.'" Per FS 1012.71, for purposes of the Florida Teachers Classroom Supply Assistance Program, the term "classroom teacher" means a certified teacher employed by a public school district or a public charter school in that district on or before September 1 of each year whose full-time or job-share responsibility is the classroom instruction of students in prekindergarten through grade 12, including full-time media specialists and certified school counselors serving students in prekindergarten through grade 12.

The District's current process includes sending an email notification to teachers who are eligible instructing them to accept the funds through ESS (Employee Self-Service). This triggers SAP to automatically pay on the next paycheck for the teachers that accept the funds. The teachers are responsible for substantiating their purchases by completing a reconciliation form and submitting their receipts to the bookkeeper/office manager at their location. The location substantiates the purchases, reconciles the spent funds and enters into a FileMaker database funds not used or verified. Purchases not substantiated or used will result in a payroll deduction from the teacher's check. Funds not claimed, substantiated or returned are dispersed into the School's Advisory Council.

ClassWallet will replace the current process used for the distribution and reconciliation of funds. It will provide eligible teachers the ability to use funds allocated from the Teacher Classroom Supply Assistance Program to purchase classroom materials and supplies online through ClassWallet.

ClassWallet works directly with selected vendors via the ClassWallet marketplace, to allow teachers to purchase materials and supplies online tax-free. When using ClassWallet's marketplace, teachers do not need to submit receipts. Through ClassWallet, each account holder is provided with a virtual wallet. Broward County Public Schools allocates a balance to each virtual wallet account, which indicates to the account holder how much they are able to spend. Account holders can access and view their balance through any electronic device: computer, tablet or smartphone.

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Account holders log into their ClassWallet account and then through the ClassWallet marketplace to select which vendor they want to shop from. In addition, through ClassWallet, account holders may upload receipts via a desktop or mobile application and submit for reimbursement. When authorized, ClassWallet automates an ACH direct deposit for the approved reimbursement amount to the account holder’s bank account.

Benefits of using this software include an automated and paperless process that eliminates the need for bookkeepers/office managers to collect, reconcile and keep receipts, saving time and resources to the district. Further, it eradicates the risk of teachers exiting the district that have not spent all their funds from leaving without returning unused funds. This will eliminate the need for payroll deductions for those teachers who choose not to spend the funds. Last year, over 500 payroll deductions had to be processed for teachers who left the district or did not spend all funds. Additionally, the program monitors purchases and provides detailed audit reports; enabling the district to efficiently return unused funds back to each school’s School Advisory Committee Fund as required in State statute in a timely manner.

Procurement Method
Responsible: PWS

The direct negotiation was performed in accordance with Purchasing Policy 3320, VI(C)(5)(c), and Section 6A-1.012(14), F.A.C., permit the acquisitions of Information & Technology as defined in Section 282.0041(14), Florida Statutes.

Through market analysis, it was determined that ClassWallet is a unique product. While several expense reimbursement tools exist, none but ClassWallet are specific to ensure that funds are spent according to the State Department of Education regulations. See Exhibit A below for additional information and a comparison chart.

Financial Impact
Responsible: PWS and Talent Acquisition & Operations

The total spending authority requested is \$74,000 (three (3) years) as demonstrated below.

Annual License Fee (per School)	\$	200
x Number of Schools		234
Value	\$	46,800 (WAIVED / Cost Avoidance)
Reimbursement Tool (Priced per Student)	\$.10
x Number of Students		224,000
Subtotal	\$	22,400
x Number of Years in Agreement		3
Subtotal	\$	67,200
+ Ten (10) percent for Variance in Student Count	\$	6,720
Total spend authority (rounded)	\$	74,000 (three (3) years)

Because the program cost is based on the number of students, it is challenging to predict future enrollment. Therefore, a spending authority contingency of ten (10) percent is requested.

This expense has been approved by the Chief Financial Office.

The approval of this recommendation does not mean the authorized amount will be spent.

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Exhibit A

ClassWallet is the only solution in the market that offers an e-commerce marketplace and a reimbursement management function integrated into a single platform.

	Class Wallet	Traditional Prepaid Card Program	Office Depot	Ariba/SAP	ESM (eSchoolMall)
Virtual Wallet	X	X			
E-commerce marketplace with 40+ choices	X			X	X
Electronic receipt capture for reimbursement	X				
Automated ACH direct deposit reimbursement	X				
Mobile application to submit receipts	X				
Pre-approval capabilities	X		X	X	X
SKU level data	X		X	X	X
Report on all purchases (real time)	X		X	X	X

In Florida, approximately twenty (20) percent of teachers receive CSAP funding through ClassWallet. Florida districts currently using ClassWallet include Miami-Dade, Hillsborough County Schools, Polk County Schools, Osceola County Schools, Putnam County Schools, Levy County Schools, Columbia County Schools, Martin County Schools, Flagler County Schools.