



# AGENDA REQUEST FORM

## THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

<b>MEETING DATE</b>	2019-01-15 10:05 - Regular School Board Meeting
<b>AGENDA ITEM</b>	ITEMS
<b>CATEGORY</b>	EE. OFFICE OF STRATEGY & OPERATIONS
<b>DEPARTMENT</b>	Procurement & Warehousing Services

<b>Special Order Request</b>
<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Time</b>
<b>Open Agenda</b>
<input checked="" type="radio"/> Yes <input type="radio"/> No

<b>ITEM No.:</b>
EE-4.

**TITLE:**

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

**REQUESTED ACTION:**

Approve the recommendation to award the above Agreement. Contract Term: January 15, 2019 through January 16, 2022; 3 Years with an option for two (2) additional one (1) year renewal periods; User Department: Talent Acquisition & Operations (Instructional); Award Amount: \$74,000; Awarded Vendor(s): Kleo, Inc. d/b/a ClassWallet; Small/Minority/Women Business Enterprise Vendor(s): None.
---

**SUMMARY EXPLANATION AND BACKGROUND:**

ClassWallet provides eligible teachers the ability to use funds allocated from the Teacher Classroom Supply Assistance Program to purchase classroom materials and supplies or be reimbursed for such purchases via an online portable accessible on a computer or mobile device. Implementation will be effective for the 2019-2020 school year. This Agreement has been reviewed and approved as to form and legal content by the Office of the General Counsel.
---

**SCHOOL BOARD GOALS:**

<input type="radio"/> Goal 1: High Quality Instruction <input checked="" type="radio"/> Goal 2: Continuous Improvement <input type="radio"/> Goal 3: Effective Communication
--

**FINANCIAL IMPACT:**

The estimated financial impact to the District will be \$74,000. The funding source will come from the Talent Acquisition & Operations operating budget. The financial impact amount represents an estimated contract value; however, the amount authorized will not exceed the contract award amount.
--

**EXHIBITS: (List)**

(1) Executive Summary (2) Agreement
-------------------------------------

<b>BOARD ACTION:</b> <b>APPROVED</b>
(For Official School Board Records Office Only)

**SOURCE OF ADDITIONAL INFORMATION:**

Name: Susan Rockelman	Phone: 754-321-2324
Name: Mary C. Coker	Phone: 754-321-0501

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**  
 Senior Leader & Title

Maurice L. Woods - Chief Strategy & Operations Officer
--

Approved In Open Board Meeting On: **JAN 15 2018**

By: *Heather P. Burkwood*  
 School Board Chair

Signature

<i>Maurice Woods</i> 1/7/2019, 3:05:06 PM
--

## 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.

**Direct Negotiation Recommendation of \$500,000 or Less**  
**19-115E – Classroom Supply Purchases and Reimbursement System**  
**January 15, 2019 Board Agenda**  
**Page 2**

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

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.

**Direct Negotiation Recommendation of \$500,000 or Less**  
**19-115E – Classroom Supply Purchases and Reimbursement System**  
**January 15, 2019 Board Agenda**  
**Page 3**

**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.

## AGREEMENT

**THIS AGREEMENT** is made and entered into as of this <sup>15<sup>th</sup></sup> ~~17<sup>th</sup>~~ day of <sup>January 2019,</sup> ~~December 2018,~~ by and between

### **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

(hereinafter referred to as "SBBC"),  
a body corporate and political subdivision of the State of Florida,  
whose principal place of business is  
600 Southeast Third Avenue, Fort Lauderdale, Florida 33301

and

### **KLEO INC. d/b/a CLASSWALLET**

(hereinafter referred to as "VENDOR"),  
whose principal place of business is  
6100 Hollywood Boulevard, Suite 108, Hollywood, Florida 33024

**WHEREAS**, the SBBC is in need of certain software as a service to allow teachers to manage their discretionary classroom funding and has selected the VENDOR to provide such service; and

**WHEREAS**, VENDOR is willing to provide such software as a service to the SBBC; and

**WHEREAS**, Rule 6A -1.012, 11(b), and 14, Florida Administrative Code and School Board Policy 3320, Section II.H, authorizes the purchase of any type of copyrighted materials, instructional materials and computer software without competitive solicitations.

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

### **ARTICLE 1 - RECITALS**

1.01 **Recitals.** The parties agree that the foregoing recitals are true and correct and that such recitals are incorporated herein by reference.

### **ARTICLE 2 – SPECIAL CONDITIONS**

2.01 **Term of Agreement.** Unless terminated earlier pursuant to Section 3.05 of this Agreement, the term of this Agreement shall commence upon the execution by all parties and shall conclude on January 16, 2022. The term of the Agreement may, by mutual agreement between SBBC and VENDOR, be extended for two (2) additional one-year periods.

2.02 **Description of Goods or Services Provided.** VENDOR shall provide software as a service (SAAS) providing web based and mobile application support allowing

SBBC educators to access classroom funds through an electronic virtual wallet. VENDOR holds funds for SBBC Users for funding and reimbursement of classroom supplies funds. Users can access VENDOR's marketplace to purchase and utilize funds or users may submit receipts for reimbursement.

2.03 **VENDOR's Responsibilities.** Vendor shall provide SBBC with the services and products listed in **Exhibit A** (Products and Services).

1) VENDOR will use commercially reasonable efforts to make the Services available twenty-four (24) hours per day, seven (7) days per week (99.9% uptime), except for circumstances beyond the control of VENDOR or scheduled downtime or maintenance.

2) Provide SBBC with basic support for the Products and Services during regular business hours, Monday through Friday, excluding the federal bank holidays. Basic support includes phone support for application usage and email correspondences.

3) Fund Collection and Remittance. VENDOR acts as an agent for SBBC to collect and distribute funds to SBBC Users.

a. VENDOR is not a chartered banking entity.

b. Any funds that VENDOR collects for SBBC shall be retained by VENDOR and remitted to SBBC Users in accordance with the timelines established for each product. VENDOR shall hold SBBC funds in a segregated account, solely for the purpose of collecting funds from SBBC and remitting the funds to the Users, as agreed and permitted by law.

c. By acting as a conduit between SBBC and SBBC Users, VENDOR exercises no control over the funds other than as contemplated herein. VENDOR will not commingle its own funds in the SBBC segregated account.

d. All funds in the SBBC segregated account shall be the property of SBBC. Upon termination of this Agreement, VENDOR will return all remaining funds to SBBC in the same payment method that the funds were issued to VENDOR, within thirty (30) calendar days.

2.04 **SBBC's Responsibilities.** SBBC will ensure that it and SBBC Users mutually authorized by it and the VENDOR are in compliance with the terms of this Agreement.

2.05 **Cost and Payment.**

(a) Annual costs for VENDOR's products and services shall be invoiced as indicated below once per year of this Agreement.

<b>Annual Service License</b>			
<b>Annual Service</b>	<b>Price Per School</b>	<b>Number of Schools</b>	<b>Subtotal</b>
Annual Service License	\$200	234	Waived

**Contracted Annual Services**

<b>Service</b>	<b>Price Per Student</b>	<b>Number of Students</b>	<b>Subtotal</b>
E-Commerce Module	\$0		Included
Reimbursement Tool	\$.10	224,000	\$22,400
<b>Subtotal</b>			<b>\$22,400</b>

**Price per Year**

<b>Subtotal Annual Contracted Services</b>	<b>\$22,400</b>
<b>Subtotal Annual Service License</b>	Waived
<b>Annual Total</b>	<b>\$22,400</b>

(b) Each year, VENDOR shall submit single appropriate invoice for annual total of Twenty Two Thousand, Four Hundred Dollars and 00/100 Cents (\$22,400.00) to SBBC and SBBC shall pay same invoice net thirty (30) calendar days after issuance of a Purchase Order by SBBC at the beginning of each year of the Agreement term.

2.06 **Priority of Documents.** In the event of a conflict between documents, the following priority of documents shall govern.

- First: This Agreement, then;
- Second: Exhibit A

2.07 **Disclosure of Education Records.** Although no student education records shall be disclosed pursuant to this Agreement, should VENDOR come into contact with education records during the course of contracted responsibilities, these records are confidential and protected by the Family Educational Rights and Privacy Act (FERPA) and state laws and may not be used or re-disclosed. Any use or re-disclosure may violate applicable federal and state laws.

2.08 **SBBC Disclosure of Employee Information.**

(a) SBBC will provide the following employee information to VENDOR:

- 1) first and last name
- 2) identification number
- 3) SBBC email address
- 4) school location

(b) VENDOR will utilize employee's information to provision and deprovision access to VENDOR's systems, define user roles and permissions within VENDOR's systems, allow users to submit reimbursements or shop on VENDOR's marketplace and allow users to view reports.

(c) VENDOR shall not use the employee records listed for any purpose other than those listed above or re-disclose the records to any outside source without the prior written consent of the employee, except as required or allowable by law.

(d) The requirements of this section shall supersede any uses of information as listed in VENDOR's privacy policies.

2.09 **Safeguarding Confidential Employee Records.** Notwithstanding any provision to the contrary within this Agreement, VENDOR shall 1) fully comply with the requirements of state or federal law or regulation regarding the confidentiality of employee records, 2) hold the employee records in strict confidence and not use or disclose same except as required by this Agreement or as required or permitted by law, 3) only share employee records with those who have a need to access the information in order to perform their assigned duties in the performance of this Agreement, 4) protect employee records through administrative, physical and technological safeguards to ensure adequate controls are in place to protect the employee's records and information, 5) notify SBBC immediately upon discovery of a breach of confidentiality of employee records by telephone at 754-321-0300 (Manager, Information Security), and 754-321-1900 (Privacy Officer), and email at [privacy@browardschools.com](mailto:privacy@browardschools.com); and take all necessary notification steps as may be required by federal and Florida law, including, but not limited to, those required by Section 501.171, Florida Statutes, 6) prepare and distribute, at its own cost, any and all required notifications, under federal and Florida Law, or reimburse SBBC any direct costs incurred by SBBC for doing so, and 7) be responsible for any fines or penalties for failure to meet notice requirements pursuant to federal and/or Florida law. This section shall survive the termination of all performance or obligations under this Agreement.

2.10 **Inspection of VENDOR's Records by SBBC.** Vendor shall establish and maintain books, records and documents (including electronic storage media) sufficient to reflect all income and expenditures of funds provided by SBBC under this Agreement. All Vendor's applicable records, regardless of the form in which they are kept, shall be open to inspection and subject to audit, inspection, examination, evaluation and/or reproduction, during normal working hours, by SBBC's agent or its authorized representative to permit SBBC to evaluate, analyze and verify the satisfactory performance of the terms and conditions of this Agreement and to evaluate, analyze and verify the applicable business records of Vendor directly relating to this Agreement in order to verify the accuracy of invoices provided to SBBC. Such audit shall be no more than one (1) time per calendar year.

(a) **Duration of Right to Inspect.** For the purpose of such audits, inspections, examinations, evaluations and/or reproductions, SBBC's agent or authorized representative shall have access to Vendor's records from the effective date of this Agreement, for the duration of the term of this Agreement, and until the later of five (5) years after the termination of this Agreement or five (5) years after the date of final payment by SBBC to Vendor pursuant to this Agreement.

(b) **Notice of Inspection.** SBBC's agent or its authorized representative shall provide Vendor reasonable advance written notice (not to exceed two (2) weeks) of any intended audit, inspection, examination, evaluation and or reproduction.

(c) **Audit Site Conditions.** SBBC's agent or its authorized representative shall have access to Vendor's facilities and to any and all records related to this Agreement, and shall be provided adequate and appropriate work space in order to exercise the rights permitted under this section.

(d) Failure to Permit Inspection. Failure by Vendor to permit audit, inspection, examination, evaluation and/or reproduction as permitted under this section shall constitute grounds for termination of this Agreement by SBBC for cause and shall be grounds for SBBC's denial of some or all of any Vendor's claims for payment.

(e) Overcharges and Unauthorized Charges. If an audit conducted in accordance with this section discloses overcharges or unauthorized charges to SBBC by Vendor in excess of two percent (2%) of the total billings under this Agreement, the actual cost of SBBC's audit shall be paid by Vendor. If the audit discloses billings or charges to which Vendor is not contractually entitled, Vendor shall pay said sum to SBBC within twenty (20) days of receipt of written demand unless otherwise agreed to in writing by both parties.

(f) Inspection of Subcontractor's Records. If applicable, Vendor shall require any and all subcontractors, insurance agents and material suppliers (hereafter referred to as "Payees") providing services or goods with regard to this Agreement to comply with the requirements of this section by insertion of such requirements in any written subcontract. Failure by Vendor to include such requirements in any subcontract shall constitute grounds for termination of this Agreement by SBBC for cause and shall be grounds for the exclusion of some or all of any Payees' costs from amounts payable by SBBC to Vendor pursuant to this Agreement and such excluded costs shall become the liability of Vendor.

(g) Inspector General Audits. Vendor shall comply and cooperate immediately with any inspections, reviews, investigations, or audits deemed necessary by the Florida Office of the Inspector General or by any other state or federal officials.

2.11 **Notice.** When any of the parties desire to give notice to the other, such notice must be in writing, sent by U.S. Mail, postage prepaid, addressed to the party for whom it is intended at the place last specified; the place for giving notice shall remain such until it is changed by written notice in compliance with the provisions of this paragraph. For the present, the Parties designate the following as the respective places for giving notice:

To SBBC: Superintendent of Schools  
The School Board of Broward County, Florida  
600 Southeast Third Avenue  
Fort Lauderdale, Florida 33301

With a Copy to: Director, Talent Acquisition & Operations (Instructional)  
The School Board of Broward County, Florida  
7720 West Oakland Park Boulevard  
Sunrise, Florida 33351

To VENDOR: Jamie Rosenberg  
Kleo Inc. dba ClassWallet  
6100 Hollywood Blvd. Suite #108B  
Hollywood, Florida 32204

2.12 **Background Screening.** VENDOR shall comply with all requirements of Sections 1012.32, 1012.465, 1012.467 and 1012.468 Florida Statutes, and all of its personnel who (1) are to be permitted access to school grounds when students are present, (2) will have direct contact with students, or (3) have access or control of school funds, will successfully complete the background screening required by the referenced statutes and meet the standards established by the statutes. This background screening will be conducted by SBBC in advance of VENDOR or its personnel providing any services under the conditions described in the previous sentence. VENDOR shall bear the cost of acquiring the background screening required by Section 1012.32, Florida Statutes, and any fee imposed by the Florida Department of Law Enforcement to maintain the fingerprints provided with respect to VENDOR and its personnel. The parties agree that the failure of VENDOR to perform any of the duties described in this section shall constitute a material breach of this Agreement entitling SBBC to terminate immediately with no further responsibilities or duties to perform under this Agreement. VENDOR agrees to indemnify and hold harmless SBBC, its officers and employees from any liability in the form of physical or mental injury, death or property damage resulting from VENDOR's failure to comply with the requirements of this section or with Sections 1012.32, 1012.465, 1012.467 and 1012.468 Florida Statutes.

2.13 **Public Records.** The following provisions are required by Section 119.0701, Florida Statutes, and may not be amended. VENDOR shall keep and maintain public records required by SBBC to perform the services required under this Agreement. Upon request from SBBC's custodian of public records, VENDOR shall provide SBBC with a copy of any requested public records or to allow the requested public records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law. VENDOR shall ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement's term and following completion of the Agreement if VENDOR does not transfer the public records to SBBC. Upon completion of the Agreement, VENDOR shall transfer, at no cost, to SBBC all public records in possession of VENDOR or keep and maintain public records required by SBBC to perform the services required under the Agreement. If VENDOR transfers all public records to SBBC upon completion of the Agreement, VENDOR shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If VENDOR keeps and maintains public records upon completion of the Agreement, VENDOR shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to SBBC, upon request from SBBC's custodian of public records, in a format that is compatible with SBBC's information technology systems.

**IF A PARTY TO THIS AGREEMENT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO ITS DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THE AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT 754-321-1900, RECORDREQUESTS@BROWARDSCHOOLS.COM, RISK MANAGEMENT DEPARTMENT, PUBLIC RECORDS DIVISION, 600 SOUTHEAST THIRD AVENUE, FORT LAUDERDALE, FLORIDA 33301.**

2.14 **Liability.** This section shall survive the termination of all performance or obligations under this Agreement and shall be fully binding until such time as any proceeding brought on account of this Agreement is barred by any applicable statute of limitations.

(a) **By SBBC:** SBBC agrees to be fully responsible up to the limits of Section 768.28, Florida Statutes, for its acts of negligence, or its employees' acts of negligence when acting within the scope of their employment and agrees to be liable for any damages resulting from said negligence.

(b) **By VENDOR:** VENDOR agrees to indemnify, hold harmless and defend SBBC, its agents, servants and employees from any and all claims, judgments, costs, and expenses including, but not limited to, reasonable attorney's fees, reasonable investigative and discovery costs, court costs and all other sums which SBBC, its agents, servants and employees may pay or become obligated to pay on account of any, all and every claim or demand, or assertion of liability, or any claim or action founded thereon, arising or alleged to have arisen out of the products, goods or services furnished by VENDOR, its agents, servants or employees; the equipment of VENDOR, its agents, servants or employees while such equipment is on premises owned or controlled by SBBC; or the negligence of VENDOR or the negligence of VENDOR's agents when acting within the scope of their employment, whether such claims, judgments, costs and expenses be for damages, damage to property including SBBC's property, and injury or death of any person whether employed by VENDOR, SBBC or otherwise.

2.15 **Insurance Requirements.** VENDOR shall comply with the following insurance requirements throughout the term of this Agreement:

(a) **General Liability.** VENDOR shall maintain General Liability insurance during the term of this Agreement with limits not less than \$1,000,000 per occurrence for Bodily Injury/Property Damage; \$1,000,000 General Aggregate; and limits not less than \$1,000,000 for Products/Completed Operations Aggregate.

(b) **Professional Liability/Errors & Omissions.** VENDOR shall maintain Professional Liability/Errors & Omissions insurance during the term of this Agreement with a limit of not less than \$1,000,000 per occurrence covering services provided under this Agreement.

(c) **Workers' Compensation.** VENDOR shall maintain Workers' Compensation insurance during the term of this Agreement in compliance with the limits specified in Chapter 440, Florida Statutes, and Employer's Liability limits shall not be less than \$100,000/\$100,000/\$500,000 (each accident/disease-employee/disease-policy limit).

(d) **Auto Liability.** VENDOR shall maintain Owned, Non-Owned and Hired Auto Liability insurance with Bodily Injury and Property Damage limits of not less than \$1,000,000 Combined Single Limit.

(e) **Acceptability of Insurance Carriers.** The insurance policies required under this Agreement shall be issued by companies qualified to do business in the State of Florida and having a rating of at least A- VI by AM Best or Aa3 by Moody's Investor Service.

(f) **Verification of Coverage.** Proof of the required insurance must be furnished by VENDOR to SBBC's Risk Management Department by Certificate of Insurance within fifteen (15) calendar days of the date of this Agreement. To streamline this process, SBBC has partnered with EXIGIS Risk Management Services to collect and verify insurance documentation. All certificates (and any required documents) must be received and approved by SBBC's Risk Management Department before any work commences to permit VENDOR to remedy any deficiencies. VENDOR must verify its account information and provide contact details for its Insurance Agent via the link provided to it by email.

(g) **Required Conditions.** Liability policies must include the following terms on the Certificate of Insurance:

- 1) The School Board of Broward County, Florida, its members, officers, employees and agents are added as additional insured.
- 2) All liability policies are primary of all other valid and collectable coverage maintained by The School Board of Broward County, Florida.
- 3) Certificate Holder: The School Board of Broward County, Florida, c/o EXIGIS Risk Management Services, P.O. Box 4668-ECM, New York, New York 10163-4668.

(h) **Cancellation of Insurance.** VENDOR is prohibited from providing services under this Agreement with SBBC without the minimum required insurance coverage and must notify SBBC within two (2) business days if required insurance is cancelled.

(i) SBBC reserves the right to review, reject or accept any required policies of insurance, including limits, coverage or endorsements, herein throughout the term of this Agreement.

2.16 **Equal Opportunity Provision.** The parties agree that no person shall be subjected to discrimination because of age, race, color, disability, gender identity, gender expression, marital status, national origin, religion, sex or sexual orientation in the performance of the parties' respective duties, responsibilities and obligations under this Agreement.

2.17 **Annual Appropriation.** The performance and obligations of SBBC under this Agreement shall be contingent upon an annual budgetary appropriation by its governing body. If SBBC does not allocate funds for the payment of services or products to be provided under this Agreement, this Agreement may be terminated by SBBC at the end of the period for which funds have been allocated. SBBC shall notify the other party at the earliest possible time before such termination. No penalty shall accrue to SBBC in the event this provision is exercised, and SBBC shall not be obligated or liable for any future payments due or any damages as a result of termination under this section.

2.18 **Excess Funds.** Any party receiving funds paid by SBBC under this Agreement agrees to promptly notify SBBC of any funds erroneously received from SBBC upon

the discovery of such erroneous payment or overpayment. Any such excess funds shall be refunded to SBBC.

2.19 **Incorporation by Reference.** Exhibit A attached hereto and referenced herein shall be deemed to be incorporated into this Agreement by reference.

### **ARTICLE 3 – GENERAL CONDITIONS**

3.01 **No Waiver of Sovereign Immunity.** Nothing herein is intended to serve as a waiver of sovereign immunity by any agency or political subdivision to which sovereign immunity may be applicable or of any rights or limits to liability existing under Section 768.28, Florida Statutes. This section shall survive the termination of all performance or obligations under this Agreement and shall be fully binding until such time as any proceeding brought on account of this Agreement is barred by any applicable statute of limitations.

3.02 **No Third Party Beneficiaries.** The parties expressly acknowledge that it is not their intent to create or confer any rights or obligations in or upon any third person or entity under this Agreement. None of the parties intend to directly or substantially benefit a third party by this Agreement. The parties agree that there are no third party beneficiaries to this Agreement and that no third party shall be entitled to assert a claim against any of the parties based upon this Agreement. Nothing herein shall be construed as consent by an agency or political subdivision of the State of Florida to be sued by third parties in any matter arising out of any Agreement.

3.03 **Independent Contractor.** The parties to this Agreement shall at all times be acting in the capacity of independent contractors and not as an officer, employee or agent of one another. Neither party or its respective agents, employees, subcontractors or assignees shall represent to others that it has the authority to bind the other party unless specifically authorized in writing to do so. No right to SBBC retirement, leave benefits or any other benefits of SBBC employees shall exist as a result of the performance of any duties or responsibilities under this Agreement. SBBC shall not be responsible for social security, withholding taxes, contributions to unemployment compensation funds or insurance for the other party or the other party's officers, employees, agents, subcontractors or assignees.

3.04 **Default.** The parties agree that, in the event that either party is in default of its obligations under this Agreement, the non-defaulting party shall provide to the defaulting party (30) calendar days written notice to cure the default. However, in the event said default cannot be cured within said thirty (30) calendar day period and the defaulting party is diligently attempting in good faith to cure same, the time period shall be reasonably extended to allow the defaulting party additional cure time. Upon the occurrence of a default that is not cured during the applicable cure period, this Agreement may be terminated by the non-defaulting party upon thirty (30) calendar days notice. This remedy is not intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or future exercise thereof. Nothing in this section shall be construed to preclude termination for convenience pursuant to Section 3.05.

3.05 **Termination.** This Agreement may be canceled with or without cause by SBBC during the term hereof upon thirty (30) calendar days written notice to the other parties of its desire to terminate this Agreement. In the event of such termination, SBBC shall be entitled to a *pro rata* refund of any pre-paid amounts for any services scheduled to be delivered after the effective date of such termination. SBBC shall have no liability for any property left on SBBC's property by any party to this Agreement after the termination of this Agreement. Any party contracting with SBBC under this Agreement agrees that any of its property placed upon SBBC's facilities pursuant to this Agreement shall be removed within ten (10) business days following the termination, conclusion or cancellation of this Agreement and that any such property remaining upon SBBC's facilities after that time shall be deemed to be abandoned, title to such property shall pass to SBBC, and SBBC may use or dispose of such property as SBBC deems fit and appropriate.

3.06 **Compliance with Laws.** Each party shall comply with all applicable federal, state and local laws, SBBC policies, codes, rules and regulations in performing its duties, responsibilities and obligations pursuant to this Agreement.

3.07 **Place of Performance.** All obligations of SBBC under the terms of this Agreement are reasonably susceptible of being performed in Broward County, Florida and shall be payable and performable in Broward County, Florida.

3.08 **Governing Law and Venue.** This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Any controversies or legal problems arising out of this Agreement and any action involving the enforcement or interpretation of any rights hereunder shall be submitted exclusively to the jurisdiction of the State courts of the Seventeenth Judicial Circuit of Broward County, Florida or to the jurisdiction of the United States District Court for the Southern District of Florida. Each party agrees and admits that the state courts of the Seventeenth Judicial Circuit of Broward County, Florida or the United States District Court for the Southern District of Florida shall have jurisdiction over it for any dispute arising under this Agreement.

3.09 **Entirety of Agreement.** This document incorporates and includes all prior negotiations, correspondence, conversations, agreements and understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

3.10 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

3.11 **Assignment.** Neither this Agreement nor any interest herein may be assigned, transferred or encumbered by any party without the prior written consent of the other party. There shall be no partial assignments of this Agreement including, without limitation, the partial assignment of any right to receive payments from SBBC.

3.12 **Captions.** The captions, section designations, section numbers, article numbers, titles and headings appearing in this Agreement are inserted only as a matter of convenience, have no substantive meaning, and in no way define, limit, construe or describe the scope or intent of such articles or sections of this Agreement, nor in any way affect this Agreement and shall not be construed to create a conflict with the provisions of this Agreement.

3.13 **Severability.** In the event that any one or more of the sections, paragraphs, sentences, clauses or provisions contained in this Agreement is held by a court of competent jurisdiction to be invalid, illegal, unlawful, unenforceable or void in any respect, such shall not affect the remaining portions of this Agreement and the same shall remain in full force and effect as if such invalid, illegal, unlawful, unenforceable or void sections, paragraphs, sentences, clauses or provisions had never been included herein.

3.14 **Preparation of Agreement.** The parties acknowledge that they have sought and obtained whatever competent advice and counsel as was necessary for them to form a full and complete understanding of all rights and obligations herein and that the preparation of this Agreement has been their joint effort. The language agreed to herein expresses their mutual intent and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

3.15 **Amendments.** No modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by each party hereto.

3.16 **Waiver.** The parties agree that each requirement, duty and obligation set forth herein is substantial and important to the formation of this Agreement and, therefore, is a material term hereof. Any party's failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement unless the waiver is in writing and signed by the party waiving such provision. A written waiver shall only be effective as to the specific instance for which it is obtained and shall not be deemed a continuing or future waiver.

3.17 **Force Majeure.** Neither party shall be obligated to perform any duty, requirement or obligation under this Agreement if such performance is prevented by fire, hurricane, earthquake, explosion, wars, sabotage, accident, flood, acts of God, strikes, or other labor disputes, riot or civil commotions, or by reason of any other matter or condition beyond the control of either party, and which cannot be overcome by reasonable diligence and without unusual expense ("Force Majeure"). In no event shall a lack of funds on the part of either party be deemed Force Majeure.

3.18 **Survival.** All representations and warranties made herein, indemnification obligations, obligations to reimburse SBBC, obligations to maintain and allow inspection and audit of records and property, obligations to maintain the confidentiality of records, reporting requirements, and obligations to return public funds shall survive the termination of this Agreement.

3.19 **Agreement Administration.** SBBC has delegated authority to the Superintendent of Schools or his/her designee to take any actions necessary to implement and administer this Agreement.

3.20 **Counterparts and Multiple Originals.** This Agreement may be executed in multiple originals, and may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

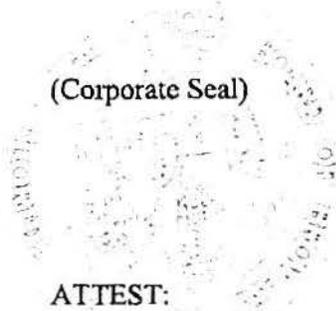
3.21 **Authority.** Each person signing this Agreement on behalf of either party individually warrants that he or she has full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Agreement.

**IN WITNESS WHEREOF,** the Parties hereto have made and executed this Agreement on the date first above written.

**[THIS SPACE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES FOLLOW]**

**FOR SBBC:**

(Corporate Seal)



THE SCHOOL BOARD OF BROWARD  
COUNTY, FLORIDA

By *Heather P. Brinkworth*  
Heather P. Brinkworth, Chair

ATTEST:

*Robert W. Runcie*  
Robert W. Runcie, Superintendent of Schools

Approved as to Form and Legal Content:

*Kathelyn Jacques-Adams*

Digitally signed by Kathelyn Jacques-  
Adams, Esq. - kathelyn.jacques-  
adams@gbrowardschools.com  
Reason: Kleo Inc. d/b/a Classwallet  
Date: 2018.12.18 09:05:08 -05'00'

Office of the General Counsel

**[THIS SPACE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]**

**FOR VENDOR:**

(Corporate Seal)

KLEO INC. d/b/a ClassWallet

ATTEST:

By [Signature]  
James Rosenberg, CEO

\_\_\_\_\_  
, Secretary

-or-

[Signature] Gabriela Flores  
Witness

[Signature] TERESA VITERI  
Witness

**The Following Notarization is Required for Every Agreement Without Regard to Whether the Party Chose to Use a Secretary's Attestation or Two (2) Witnesses.**

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 12 day of December, 2018 by JAMES ROSENBERG of

KLEO INC, on behalf of the corporation/agency.  
Name of Corporation or Agency

He/She is personally known to me or produced \_\_\_\_\_ as  
identification and did/did not first take an oath. Type of Identification

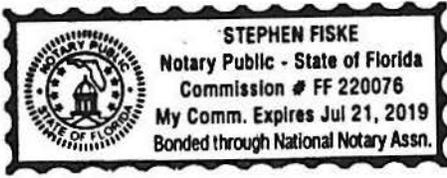
My Commission Expires:

[Signature]  
Signature - Notary Public

\_\_\_\_\_  
Printed Name of Notary

\_\_\_\_\_  
Notary's Commission No.

(SEAL)



## EXHIBIT A - Product and Services

### ***Notional Virtual Wallet Account***

---

Through ClassWallet, each account holder is provided a virtual wallet. The Client 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.

ClassWallet holds Client funds in one omnibus bank account and acts as the record keeper and as the financial intermediary between the Client, the omnibus bank account, the parent, and the provider.

Account holders can spend the funds through any one of ClassWallet features:

- Integrated ecommerce marketplace purchase
- Reimbursement request

After payments are verified, ClassWallet facilitates the payment from the omnibus account.

Virtual wallet accounts can be:

- Loaded periodically, at any frequency the Client determines appropriate
- Suspended, at any frequency the Client determines appropriate
- De-funded and funds returned to the Client

The account holder cannot make deposits into the virtual wallet account. Only Client administrators can fund virtual wallet accounts.

### ***Integrated Ecommerce Marketplace***

The ClassWallet solution is unique in that it has an integrated ecommerce marketplace that allows users to spend dollars from their virtual wallets without having to use a debit card at all.

Account holders log into their ClassWallet account and then through the marketplace select which vendor they will like to shop from. Today over 40 leading brands are incorporated into the marketplace including Amazon, Scholastic, School Specialty, Really Good Stuff and many others that sell education materials exclusively. The Client reserves the ability to allow which vendors would be included in the marketplace.

Account holders do not need a debit card to check out. So long as there is sufficient balance in their account, the vendor will accept ClassWallet as adequate form for payment. If the account holder does not have sufficient funds, the account holder can top up using a personal credit card and complete the checkout process.

All vendors agree to provide ClassWallet SKU-level data of each transaction which in turn ClassWallet provides to the Client through detailed reporting capabilities.

Ecommerce Marketplace Feature	Value
<b>Automated settlement and reconciliation</b>	ClassWallet settles and reconciles all payments with vendors.
<b>Vendor curation</b>	ClassWallet has the capability of including only vendors approved by the Client, therefore ensuring any marketplace transaction is an authorized one.
<b>Pre-approval capability</b>	If desired, the Client can get pre-approval of online bill payments prior to the transaction being completed.
<b>Transaction annotation</b>	The ClassWallet platform has the capability to capture additional information from the user such as notes or completion of the Client configured form fields to associate with each bill payment.

**Reimbursement Management**

Through ClassWallet, users may link the ClassWallet virtual account to their personal bank account securely by providing banking information via web access on the ClassWallet platform. ClassWallet does not store any banking information of account holders.

Reimbursement Management Feature	Description
<b>Electronic receipt capture</b>	Users can upload receipts into the ClassWallet platform using the ClassWallet mobile application and their phone camera, or a desktop scanner.
<b>Electronic review of receipts</b>	Client will have the ability to review receipts via web access through the ClassWallet administration dashboard.
<b>Approve (Whole), Approve (In Part), Deny</b>	Client administrator can approve the reimbursement either in whole or in part (i.e. reimbursement for certain items in a receipt, but not all). Administrators may also deny the reimbursement

	request. This activity is conducted through via web access through the ClassWallet administration dashboard.
<b>Next business day ACH</b>	ClassWallet automates the reimbursement by way of ACH direct deposit to the account holder's bank acct

***Mobile Application***

ClassWallet has a robust mobile application available both on iOS and Android to meet both these realities.

The mobile application features include:

- Ability to check current balance
- Initiate a reimbursement request
- Upload receipts by snapping a picture using the phone camera.
  - Associating a receipt with a reimbursement request

***Transaction Reporting***

ClassWallet allows the Client to view real-time account transaction activity as well as historical data of transactions via web access to the ClassWallet administration dashboard, with the ability to filter by such fields as:

- Account holder
- Transaction type
- Date
- DistributionID
- And more

All reports are available in real time via secure web access through the ClassWallet administrative dashboard. Administrators can view all funds received and spent in real time, and easily generate reports. ClassWallet offers the Client unparalleled control and accountability of accounts, and maximum ease of use.

Account holders and administrators have real-time access to account balances and a full transaction history of funding and purchases. ClassWallet is a hierarchy role-based platform. Account holders have access to data relevant to their specific account; Client administrators have access to all accounts across the program.