



July 14, 2017

Mr. Jose Angel Lopez III
Webb County
1110 Washington St.
Laredo, TX 78040

FIXED ASSET MANAGEMENT PROGRAM

Dear Mr. Jose Angel Lopez III,

Records Consultants, Inc. (RCI) is pleased to submit this proposal to perform a Fixed Asset Inventory for Webb County. The data collected during the on-site physical inventory is designed to support your GASB #34 reporting responsibility relating to the inventory, costing and depreciation of real property. RCI has completed similar projects for over 1,100 clients throughout the United States.

PURPOSE

The RCI Fixed Asset Management Program (FAMP) is specifically designed to assist local government entities in complying with the inventory and depreciation requirements contained in GASB #34. It was developed to comply with both Generally Accepted Accounting Principles (GAAP) and Governmental Accounting, Auditing and Financial Reporting (GAAFR) guidelines. In order to meet GASB #34 financial reporting guidelines, Webb County needs an accurate baseline fixed asset inventory including historical cost information. RCI's Fixed Asset Management Program provides exactly this capability by isolating smaller groups of depreciable assets from the entire database. Our program enables you to track assets from original purchase order to final disposition.

We believe that RCI is unique in the industry in that we make a concerted effort to record all possible actual cost values when preparing databases for our clients. We realize that, in some cases, actual cost information is simply not available. In those cases, we exercise due diligence in determining estimated costs. Most organizations typically barcode items with a value of \$500.00 or more. This represents approximately 7% to 10% of the total items within the organization, which in turn represents approximately 75% of the total asset value of property.

FIXED ASSET INVENTORY

This proposal is for a project that includes a 100% inventory of assets for Webb County. RCI will place a bar code label on each item valued at \$500.00 or more and will include sensitive items (i.e. tablets, laptops, etc.). RCI will record the description, barcode number and location (building and room) of each item. Each item will be recorded as an individual record, citing description, manufacturer, model, serial number, bar code number, old tag number (if tied to a viable database), building, and room location. **Additionally, the project includes group counts and location of items not bar coded and costing less than \$500.00 (i.e. desks, chairs, filing cabinets).** Computers will be barcoded on the CPU only. Barcodes will be attached to the vehicle titles rather than on the vehicles themselves unless tagging vehicles is desired by the County. For Sheriff, EMS, and/or Fire

Departments, where assets are contained in the vehicles, RCI will tag the vehicle. That vehicle will be treated as its own room and the assets contained within, will be captured.

RCI will provide an inventory for both real and personal property, which includes all locations, owned by Webb County and designated leased locations containing assets owned by Webb County.

There are certain assets that need to be included in an inventory, but are issued to individuals and therefore not available for inventory during our on-site visit. This group may include items such as communications equipment, weapons, laptops, etc. In order for us to include these items in the inventory, you must furnish a complete listing of them, including information regarding manufacturer, model, serial number, cost data, etc. These items have a bar code label assigned that can be affixed to a corresponding hardcopy listing or placed on the items by you at a later date.

Bar coding the entrance to each room to distinguish that particular room from any other in the County is extremely important. It enables the program to process identical room numbers (such as Room 101) in multiple locations. The database will show both the bar code room number and the Counties description for that room.

ACTUAL/ESTIMATED COSTS REQUIRED BY GASB #34

To fully comply with those reporting and depreciation guidelines, our mutual goal is to report the actual historical costs of the Counties assets that include both equipment and real property. In reality, information documenting actual costs varies widely from County to County; some have excellent records while others have virtually no information available. Most organizations fall between the two extremes.

When actual historical costs cannot be determined, estimated actual costs will be assigned to all items for which an acquisition date can be established. When specific acquisition dates cannot be established, RCI will request that the County furnish an estimated purchase date. RCI can then calculate estimated actual costs using current replacement costs back-trended by commonly accepted indices to the appropriate acquisition dates. Grouped items representing significant outlays (uniforms, software, emergency equipment, etc.) can be reported as line item entries based on information provided by Webb County.

FAMP SOFTWARE

RCI believes that you should be able to add, delete, and manipulate data related to the Counties assets as necessary. The RCI Fixed Asset Management Program (FAMP) software provides this capability and is provided to Webb County at **no additional expense**. The FAMP software was developed by RCI specifically to assist local government entities in tracking their assets. The software is a Windows-based stand-alone program. The data input fields for RCI's Fixed Asset Management Program are:

Building Number	Cost	Disposition Method
Room Number	Item Account Class	Disposition Date
Item Description	Quantity	Useful/estimated life
Federally Funded	Manufacturer	Purchase Date
Condition Code	Model	P.O. Number
Serial Number	Invoice Number	Remarks
Old ID Number	Check Number	Date Data Modified
Bar Code Number	Funding Code	Cost Code ID (Actual/Estimated)
Depreciation Method	Program Codes	10 User-defined fields
Salvage Value	Vendor	

The FAMP software allows data to be exported/imported to/from a variety of accounting packages. It is Open Database Compliant (ODBC). The program is fully networkable and will run on an NT based server. The program can be password protected from unauthorized users, or set up to allow various levels of access (user from Location A can access data for Location A, but not Location B). ****RCI will provide two days of training on the use of the FAMP software with as many County employees as desired at no additional expense.****

DEPRECIATION

The FAMP software depreciates asset values using the straight-line method to ensure that you comply with GASB #34 guidelines. Our software will depreciate each item for the number of years of useful life based on the purchase date, salvage value (if any), and original cost. The software can filter for any desired capitalization level (e.g. \$1,500.00, \$5,000.00). In addition, the system can filter by category to allow depreciation of specific items, such as, depreciating all maintenance equipment with a value of \$2,500.00 or more.

CUSTOMER RESPONSIBILITIES

You should have one person from the Finance Department available to assist our Project Coordinator with specific information (cost, acquisition date, etc.) of capital assets. This information is usually found in the Finance Department, but may also be found in IT, Maintenance, or other departments. This information is essential for the calculation of depreciation. In the event the acquisition date for a given asset is not available from existing records, you will need to provide an estimated acquisition date to calculate depreciation.

Providing cost detail on computer equipment is especially important, since the physical placement of equipment may prevent collection of model and serial number, and the wide variety of internal components that can be found (without changing the external appearance of the "box") may make determination of historical cost impossible. Our software program incorporates useful life of the asset based on recommendations of various auditors and other authoritative agencies. You can amend any of these lives based on decisions made by your administrators or external auditors.

Prior to the on-site portion of the project, we will request that you provide fire escape plans (or other similar floor plans) and lists of unusual equipment or an existing database in an electronic format. It is very important that your personnel are aware that we need access to all areas of your organization. Other personnel (perhaps custodians) will need to help us in identifying the location of assets throughout the County and should have keys available to provide access to all areas. These individuals will not be needed full time, but we would appreciate ready access to them.

We are committed to providing every client with the best inventory and software system available, the ability of the RCI system to support GASB #34 reporting is directly influenced by the quality and completeness of the original cost and acquisition information provided by the County.

DELIVERABLES

From the completion of our on-site work until you receive the final Fixed Asset Management package is normally no more than six weeks. As a result of this project, Webb County will receive:

1. Numbered bar code labels affixed to all controlled items of property (each item valued at \$500.00 or more including sensitive items).
2. Physical inventory, by location, of specified items (i.e. desks, chairs, filing cabinets) not bar coded and valued under \$500.00.

3. County-wide listing of all inventoried assets by description, and current location (Department/Building and room).
4. An Operating Guide for the FAMP software along with two days of training on the use of the FAMP software.
5. The Fixed Asset Management Program and database for all inventoried items that can produce numerous reports including the following:
 - a. Total Inventory Report
 - b. Fixed Asset Inventory Report – by Bar Code
 - c. Total Inventory Report – by Department, Department/Room, Item Class, etc.
 - d. Property Detail Report
 - e. Property Summary
 - f. Room List
 - g. Disposal Reports – Personal Property & Real Property – Shows (by date range) assets retired or otherwise disposed of by the organization.
 - h. Federally Funded Assets Report
 - i. Acquisition reports, showing (by date range) assets acquired by the organization.
 - j. Items not scanned.*

* Asset management data for these variance (exception) reports is based on inventories subsequent to the initial inventory.

WORK ESTIMATES AND ASSUMPTIONS

This proposal assumes:

1. RCI has carefully prepared this Fixed Asset Management Program proposal based on the information provided by Webb County. It is submitted based on RCI's experience and in good faith that the information provided is accurate. Our pricing calculations are based directly on this information. If the number of sites or buildings significantly exceeds the numbers provided, RCI reserves the right to adjust its fees accordingly. The RCI Project Coordinator will identify this overage to your point of contact as soon as any additional work requirement becomes apparent. Any additional fees will be applied to the final invoice.
2. All inventoried assets are owned by the County. No leased equipment will be inventoried unless requested by you.
3. Webb County will present RCI with all available costs for capital assets and will work with RCI to determine reasonable and defensible acquisition dates when actual dates cannot be established. Calculation of depreciation is dependent upon actual acquisition costs and dates.

All personnel are employees of RCI and no subcontractors or temporary help will be used. We normally begin work at 8:00 a.m. and continue into the evening. Our pricing includes on-site time, office research time, travel time, per diem, lodging, and any other travel expenses. In addition, any charges for the procurement of documents (deeds, CAD listings, etc.) will be a direct pass through cost to the County.

PRICING

Fixed Asset Management Program

Based on all information provided to RCI, we can provide Webb County our Fixed Asset Management Program at a flat fee of **\$61,000.00**. Webb County's quoted rate is **\$112.96/hour**. Our best estimate is that these projects will take 540 man hours to complete. This represents a savings of 29.4% or \$25,400.00 for Webb County compared to our BuyBoard Rate of \$160.00/hour (Contract #498-15). RCI will require an initial payment of **\$42,700.00** payable at the end of the on-site portion of this project, and the remainder due upon delivery of the software program. Terms, net 10 days.

OPTIONAL PRODUCTS & SERVICES

BAR CODES:

Additional polyvinyl bar code labels, to allow for perpetuation of the system, are \$0.15 each.

CUSTOMER TECHNICAL SUPPORT:

Telephone support: Free telephone technical support is included for the first 60 calendar days following the completed project. RCI will bill you \$850.00 per year after the initial 60 days to retain this customer support for two designated County employees. If, after the free 60-day period, you elect not to use this yearly-billed service, RCI will continue to support you for a fee of \$250.00 per incident.

MC32N0 HANDHELD SCANNER:

The MC32N0 will assist in maintaining an up-to-date inventory of all existing bar-coded fixed assets as well as group counted assets that fall below a barcode threshold. The scanning ability will help in identifying new bar-coded fixed assets that may yet to be identified. Each MC32N0 handheld scanner can be purchased for \$2,950.00.

AUTHORIZATION

We look forward to performing this essential service for Webb County. When you approve this proposal, please sign and date the acceptance page, and fax back to RCI at (877) 366-0776. If you have any questions, please do not hesitate to contact me.

Thank you for your time and consideration,



Brad Adney
Account Executive

ACCEPTANCE OF FIXED ASSET MANAGEMENT PROGRAM

DATED JULY 14, 2017

ACCEPTANCE BY WEBB COUNTY

LAREDO, TEXAS

Fixed Asset Management Program

[] Based on all information provided to RCI, we can provide Webb County our Fixed Asset Management Consulting at a flat fee of **\$61,000.00**. Webb County's quoted rate is \$112.96/hour. Our best estimate is that this project will take 540 hours to complete.

This represents a savings of 29.4% or \$25,400.00 for Webb County compared to our BuyBoard Rate of \$160.00/hour (**Contract #498-15**). RCI will require an initial payment of \$42,700.00 payable at the end of the on-site portion of this project, and the remainder due upon delivery of the software program. Terms, net 10 days.

Optional Services:

- [] Qty. x _____ Polyvinyl Bar Code Labels for perpetuation of the system @ \$0.15 each
- [✓] Customer technical support @ \$850.00 per year for two employees *1yr only*
- [✓] MC32N0 Mobile Computer at \$2,950.00 each. Qty. x 1. This includes one year of Support.

Name _____ Title _____

Signature _____ Date _____

Phone Number _____ Fax Number _____

Email _____ Purchase Order # _____

Please indicate preferred start date: _____