

To: Board of Education

From: Jerri Kemble, assistant superintendent, educational programs & technology, ext. 2755
Jennifer Fessenden, supervisor, technology services, ext. 2201
Kathy Johnson, director, finance, ext. 2376
Kyle Hayden, assistant superintendent, business & operations, ext. 4309

Re: Approval of Apple Technology Purchase & Equipment Lease

Date: March 17, 2016

Background:

Board Goal 1: Develop and align district expectations for curriculum and instruction to raise the achievement of all students.

Action Step: Continue to evaluate and expand personalized learning through blended environments with emphasis on: instructional strategies and the use of furniture, space and technology.

Over the past two and a half years, the district has supported an increasing number of blended learning and iPad initiative classrooms where Apple devices were the primary technology. At the beginning of the 2015-2016 school year, the Educational Programs and Technology Department was tasked with researching devices specifically focusing on a 1:1 initiative and a more personalized style of learning.

Rationale:

After many meetings with administration, teachers, students, the technology committee and other districts, the district middle schools are ready to move to a 1:1 environment while there is more research needed at the high schools. Additional blended classrooms are necessary at primary and secondary schools. The device most suitable for the middle school 1:1 environment is the iPad because of its ability to transform teaching, create an equitable environment regardless of internet access outside of school, functionality, durability and financial implications. Apple is currently offering a substantial discount on iPads that allows the district to lease enough to support a 1:1 environment at the middle schools, offer additional iPads at the high schools to continue research, support the new 2016-2017 blended classrooms and ensure all administrators, TOSAs, learning coaches and teachers are issued an iPad. The purchase also includes an Apple project manager to assist the district in the rollout at the middle schools, professional development for teachers, cases for all iPads and additional MacBooks to be used as refresh of old devices for all grade levels and additional check out devices at the high schools.

Using Apple Inc. education pricing, the quote for this initiative is \$3,158,177.50. Apple Inc. has offered the district an equipment lease purchase option, through Apple Financial Services Education Finance, of four (4) years at a rate of 0.99%. The amount of the lease is for the full price of the education price quote.

The annual payment schedule would be as follows:

Date	Payment	Interest	Principal	Purchase Price after scheduled Payment	Balance
Commencement					\$3,158,177.50
4/1/2016	801,249.48	0	801,249.48	2,409,958.90	2,356,928.02
4/1/2017	801,249.48	23,333.59	777,915.89	1,614,539.90	1,579,012.13
4/1/2018	801,249.48	15,632.22	785,617.26	811,246.26	793,394.87
4/1/2019	801,249.48	7,854.61	793,394.87	0.00	0
Total	\$3,204,997.92	\$46,820.42	\$3,158,177.50		

By financing the technology equipment with Apple, the expense to address the significant replacement need from the technology capital outlay budget is spread out over four (4) years and minimizes the drain on the technology capital outlay budget in a single year, allowing for other projects to occur.

Recommendation:

Administration recommends purchasing from Apple Inc., \$3,158,177.50 of Apple technology, per their education price quote #2202877389. Apple technologies are proprietary products and Apple Inc. is the sole source provider. The recommendation for financing this purchase is an equipment lease through Apple Financial Services Education Finance.

Motion:

"I move the Board of Education approve a resolution authorizing the district to purchase from Apple Inc., \$3,158,177.50 of Apple technology, per their education price quote; authorizing the district to enter into a lease purchase transaction with Apple in order to finance the equipment; and authorizing various district officials to execute documents necessary to acquire and finance the equipment."

A RESOLUTION AUTHORIZING UNIFIED SCHOOL DISTRICT NO. 497, DOUGLAS COUNTY, KANSAS (LAWRENCE), TO ENTER INTO A LEASE PURCHASE TRANSACTION, THE PROCEEDS OF WHICH WILL BE USED TO PAY THE COSTS OF ACQUIRING TECHNOLOGY EQUIPMENT FOR THE DISTRICT AND TO APPROVE THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH.

WHEREAS, Unified School District No. 497, Douglas County, Kansas (the "District") desires to acquire certain technology equipment from Apple Inc. as described in price quote #2202877389, for purchase of \$3,158,177.50 (the "Equipment"); and

WHEREAS, the District has previously entered into that certain Master Lease Purchase Agreement dated June 24, 2014 (the "Master Lease") with Apple Inc., as lessor (the "Lessor") pursuant to which the District, as lease, has leased certain equipment from the Lessor with an option to purchase Lessor's interest in the equipment; and

WHEREAS, the Master Lease permits the District and the Lessor to enter into supplemental schedules that permit the leasing of certain additional equipment, including the Equipment; and

WHEREAS, the Board has determined that it is in the best financial interest of the District to enter into a supplemental schedule to the Master Lease to obtain funds to pay the costs of the Equipment based on the proposal by Apple Inc. (the "Proposal"); and

WHEREAS, in order to facilitate the foregoing and to pay the cost thereof, it is necessary and desirable for the District to take the following actions:

1. Enter into Schedule No. PBC 15590 (the "Supplemental Lease") with Apple Inc., as lessor ("Lessor"), pursuant to which the District, as lessee, will lease the Equipment from the Lessor with an option to purchase Lessor's interest in the Equipment.
2. Enter into an Escrow Agreement (the "Escrow Agreement") with Lessor and the escrow agent to be named therein (the "Escrow Agent"), pursuant to which the proceeds of the Supplemental Lease will be held in trust by the Escrow Agent pending their use to purchase the Equipment.

The Lease and the Escrow Agreement are referred to together herein as the "District Documents."

THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF UNIFIED SCHOOL DISTRICT NO. 497, DOUGLAS COUNTY, KANSAS (LAWRENCE), AS FOLLOWS:

Section 1. Authorization and Approval of District Documents.

(a) The Proposal of Apple Inc. is hereby accepted. The District Documents are hereby approved in substantially the forms submitted to and reviewed by the Board of Education on the date hereof, with such changes therein as shall be approved by the officer of the Board of Education executing the District Documents after consultation with the District's legal counsel, such officer's execution of the District Documents to be conclusive evidence of such approval, with closing of the transaction and the items of Equipment included in the Supplemental Lease to be at the discretion and direction of the President of the Board of Education.

(b) The obligation of the District to pay Rental Payments (as defined in the Lease) under the Supplemental Lease is subject to annual appropriation and will constitute a current expense of the District and will not in any way be construed to be an indebtedness or liability of the District in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness or liability by the District, nor will anything contained in the Lease constitute a pledge of the general tax revenues, funds or moneys of the District, and all provisions of the Lease will be construed so as to give effect to such intent.

(c) The President or Vice President of the Board of Education is hereby authorized and directed to execute and deliver the District Documents on behalf of, and as the act and deed of, the District. The Clerk is hereby authorized, to the extent necessary, to affix the District's seal to the District Documents and attest said seal.

Section 2. Supplemental Lease Provisions. The Board of Education hereby elects to omit the mandatory contract provisions prescribed by the Kansas Department of Administration in form DA-146a, as amended, from the Supplemental Lease and the Escrow Agreement, provided, however, that this election does not authorize the omission from any such contract the provisions of K.S.A. 72-8201a or 72-8201b, as amended.

Section 3. Further Authority. The District will, and the officials and agents of the District are hereby authorized and directed to, take such actions, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and to carry out, comply with and perform the duties of the District with respect to the District Documents, the other documents authorized or approved hereby and the Project.

Section 4. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Board of Education.

ADOPTED by the Board of Education and signed by the President or Vice President of the Board of Education of Unified School District No. 497, Douglas County, Kansas (Lawrence), on March 21, 2016

Board President

(SEAL)

ATTEST:

Board Clerk

Apple Inc. Education Price Quote

Customer: Jerri Kemble
LAWRENCE USD 497
Phone: 7858325000
email: jkemble@usd497.org

Apple Inc:

Terry Patterson
1 Infinite Loop
MS: 111-HOM
Cupertino, CA 95014
Phone: 816-304-8766
Fax:
email: tpatterson@apple.com

Apple Quote: 2202877389
Quote Date: 23-Feb-2016
Quote Valid Until: 25-Mar-2016

Quote Comments:

Please reference Apple Quote number on your Purchase Order.

#	Product Description	Qty	Unit List Price	Discount per Unit	Unit Discounted Price	Extended Discounted Price
1	iPad Air 2 Wi-Fi 64GB – Space Gray (10-pack) with 3-Year AppleCare+ iPad Air 2 Wi-Fi 64GB – Space Gray (10-pack) Part Number: MGKN2LL/A Quantity: 5000 3-Year AppleCare+ for iPad Part Number: S5193LL/A Quantity: 5000 Part Number BKQJ2LL/A	500	6,730.00	1,750.00	4,980.00	2,490,000.00
2	BNDL STM DUX FOR IPAD AIR 2 BLACK-USA STM dux Case for iPad Air 2 – Black Part Number: HH7A2ZM/A Quantity: 5000 Part Number BL2Y2LL/A	500	349.50	50.00	299.50	149,750.00
3	APS 4 Consecutive Days Project Management Deployment Services Part Number D4696LL/A	3	8,500.00	8,500.00	0.00	0.00
4	APS Remote Technical Services (up to 4 hours) Part Number D4708LL/A	1	680.00	340.00	340.00	340.00
5	Configuration Services 1day (prepaid) Part Number D4699LL/A	1	2,900.00	1,450.00	1,450.00	1,450.00
6	APS Remote Technical Services (up to 4 hours) Part Number D4708LL/A	2	680.00	680.00	0.00	0.00
7	APS Custom Architecture and Integration Services Fixed Price Part Number D3652LL/A	1	4,500.00	4,500.00	0.00	0.00
8	APS Custom Architecture and Integration Services Fixed	1	4,500.00	2,250.00	2,250.00	2,250.00

	Price					
	Part Number D3652LL/A					
9	APS 3 Consecutive Days Apple Professional Learning – Prepay	16	6,500.00	500.00	6,000.00	96,000.00
	Part Number D4527LL/A					
10	Professional Learning 1 day workshop (prepaid)	1	2,900.00	500.00	2,400.00	2,400.00
	Part Number D2459LL/B					
11	Apple Professional Learning Apple Academy	2	4,995.00	500.00	4,495.00	8,990.00
	Part Number D5993LL/B					
12	Belkin Secure Wired Keyboard for iPad (Lightning Connector) 10-Pack	50	499.95	0.00	499.95	24,997.50
	Part Number HH992LL/A					
13	MacBook Air 5-pack (11-inch/1.6GHz i5/4GB/128GB flash storage/Intel HD Graphics 6000)	100	4,145.00	325.00	3,820.00	382,000.00
	MacBook Air 5-pack (11-inch/1.6GHz i5/4GB/128GB flash storage/Intel HD Graphics 6000) Part Number: MJVN2LL/A Quantity: 500 Part Number BL3U2LL/A					

Extended EDU List Price Total	4,135,577.50
Total Discount	977,400.00
Extended Discounted Price Subtotal	3,158,177.50
- eWaste Fee / Recycling Fee	0.00
-	
-	
Extended Discounted Total Price*	3,158,177.50
<i>*In most cases Extended discounted Total price does not include Sales Tax</i>	
<i>*If applicable, eWaste/Recycling Fees are included. Standard shipping is complimentary</i>	

Complete your order by one of the following:

- This document has been created for you as Apple Quote ID 2202877389. Please contact your institution's Authorized Purchaser to submit the above quote online at <https://ecommerce.apple.com>. Simply go to the Quote area of your Apple Education Online Store, click on it and convert to an order.
 - If you are the Authorized Purchaser and need to register for access to the Apple Education Online Store, go to <http://myaccess.apple.com>. For registration assistance, call 1.800.800.2775, option 4, option 1.
- If you are unable to submit your order online, please send a copy of this Quote with your Purchase Order via email to institutionorders@apple.com. **Be sure to reference the Apple Quote number on the PO to ensure expedited processing of your order.**
 - For more information, go to provision C below, for details.

THIS IS A QUOTE FOR THE SALE OF PRODUCTS OR SERVICES. YOUR USE OF THIS QUOTE IS SUBJECT TO THE FOLLOWING PROVISIONS WHICH CAN CHANGE ON SUBSEQUENT QUOTES:

- A. ANY ORDER THAT YOU PLACE IN RESPONSE TO THIS QUOTE WILL BE GOVERNED BY (1) ANY CONTRACT IN EFFECT BETWEEN APPLE INC. ("APPLE") AND YOU AT THE TIME YOU PLACE THE ORDER OR (2), IF YOU DO NOT HAVE A CONTRACT IN EFFECT WITH APPLE, CONTACT austincontracts@apple.com.
- B. ALL SALES ARE FINAL. PLEASE REVIEW RETURN POLICY BELOW IF YOU HAVE ANY QUESTIONS. IF YOU USE YOUR INSTITUTION'S PURCHASE ORDER FORM TO PLACE AN ORDER IN RESPONSE TO THIS QUOTE, APPLE REJECTS ANY TERMS SET OUT ON THE PURCHASE ORDER THAT ARE INCONSISTENT WITH OR IN ADDITION TO THE TERMS OF YOUR AGREEMENT WITH APPLE.
- C. YOUR ORDER MUST REFER SPECIFICALLY TO THIS QUOTE AND IS SUBJECT TO APPLE'S ACCEPTANCE. ALL FORMAL PURCHASE ORDERS SUBMITTED BY EMAIL MUST SHOW THE INFORMATION BELOW:

- APPLE INC. AS THE VENDOR
 - BILL-TO NAME AND ADDRESS FOR YOUR APPLE ACCOUNT
 - PHYSICAL SHIP-TO NAME AND ADDRESS (NO PO BOXES)
 - PURCHASE ORDER NUMBER
 - VALID SIGNATURE OF AN AUTHORIZED PURCHASER
 - APPLE PART NUMBER AND/OR DESCRIPTION OF PRODUCT AND QUANTITY
 - TOTAL DOLLAR AMOUNT AUTHORIZED OR UNIT PRICE AND EXTENDED PRICE ON ALL LINE ITEMS
 - CONTACT INFORMATION: NAME, PHONE NUMBER AND EMAIL
- D. UNLESS THIS QUOTE SPECIFIES OTHERWISE, IT REMAINS IN EFFECT UNTIL **25-Mar-2016** UNLESS APPLE WITHDRAWS IT BEFORE YOU PLACE AN ORDER, BY SENDING NOTICE OF ITS INTENTION TO WITHDRAW THE QUOTE TO YOUR ADDRESS SET OUT IN THE QUOTE.
- APPLE MAY MODIFY OR CANCEL ANY PROVISION OF THIS QUOTE, OR CANCEL ANY ORDER YOU PLACE PURSUANT TO THIS QUOTE, IF IT CONTAINS A TYPOGRAPHIC OR OTHER ERROR.
- E. THE AMOUNT OF THE VOLUME PURCHASE PROGRAM (VPP) CREDIT SHOWN ON THIS QUOTE WILL ALWAYS BE AT UNIT LIST PRICE VALUE DURING REDEMPTION ON THE VPP STORE.
- F. UNLESS SPECIFIED ABOVE, APPLE'S STANDARD SHIPPING IS INCLUDED IN THE TOTAL PRICE.

SEA # 1599679
Opportunity ID: 210140231
<https://ecommerce.apple.com>
Fax:

[Terms & Use](#) | [Privacy Policy](#) | [Terms & Conditions](#) | [Return Policy](#)
Copyright © 2015 Apple Inc. All rights reserved.

Document rev 10.6

Date of last revision – September 24th, 2015