B.3.2 Contracted Services

A. Areas for Contracted Services

SySTEM Phoenix will seek outside expertise in specific areas that require certification or qualification beyond the scope of SySTEM Phoenix's employees in order to ensure the school remains in compliance with all state and federal regulations and the best possible services are provided to students within the means of the school. SySTEM Phoenix will contract services within the following categories:

- Special Education Services: Speech-Language pathology, occupational therapy, physical therapy, and psychological services
- Food services: preparation and service of breakfast and lunch.
- Accounting services: bank account reconciliation, review of all accounting processes and procedures, review of annual budgets, financial reports, and audit preparation.
- Payroll
- Building maintenance: janitorial services.
- Legal services: legal advice and counsel outside pro-bono services provided by board members.
- Technology services: setup of network, wireless, and technology security, copier lease

All contracted vendors will comply with Fingerprint Clearance Card regulations and possess the qualifications and experience detailed below. The cost for each service is based on quotes from each vendor and estimates from local similar sized charter schools (specifically Phoenix Collegiate Academy and Empower College Prep).

B. Provider Qualifications

SySTEM Phoenix will evaluate all providers based on a comprehensive set of qualifications, including possession of Level 1 Fingerprint Clearance Cards and the following professional qualifications:

- Mission alignment
- Competency
- Professionalism
- In Compliance (Fingerprint Clearance Cards, certifications, etc)
- Flexibility
- Availability
- Extensive experience in the field, with preference for experience in charter schools
- References from other charter schools/Arizona State Board for Charter Schools/Arizona Charter Schools Association
- Cost of services

In addition to the general qualifications outlined above, SySTEM Phoenix will evaluate each vendor within the following categories for qualifications related to the specific field.

Speech-Language pathology, Occupational Therapy, and Physical Therapy: Vendors will be sought out who have experience working in charter schools and proven success in improving student language abilities and academic achievement. Speech-Language services will most likely be provided through Speech and More, Inc., a small business of experienced speech-language pathologists and service

providers who work in several local charter schools, including Empower College Prep and Midtown Primary School. Dandrine Strachan, a licensed child Psychologist with over 10 years of experience evaluating students for special education placement, will most likely provide psychological services. Mariposa Therapies, a company that provides occupational therapy services to children and adults in the Phoenix area will most likely provide Occupational Therapy services.

Food Services: Food service vendors will be sought out who have extensive experience working in small charter schools to provide a full-service meal program in compliance with the National School Lunch Program and National School Breakfast Program. Vendors will also be evaluated based on food safety and nutritional analysis inspection records. SySTEM Phoenix will most likely use L&M Catering, a local caterer who specializes in food service for schools participating in the National School Breakfast and Lunch Programs.

Accounting: Accounting firms will be sought out who have extensive experience working in start-up charter schools. Additionally, vendors will be evaluated on their willingness to train and support the Chief Operations Officer in back office management to increase capacity of the school team to perform business services. SySTEM Phoenix will most likely use ASPIRE Financial Services, a local firm specializing in charter school financial management. Payroll services will most likely be provided by QTS, a payroll administration company based in Las Vegas, Nevada that provides payroll services at a significantly less expensive rate than typical banks, and has experience managing payroll for other local charter schools.

Legal Services: The majority of the legal advice and services required by the school will be provided pro-bono from board members and members of the advisory council with legal certification. If legal advice is required beyond the scope of the donated services, legal firms will be sought out who are willing to provide discounted services to a start-up charter school. For any services not provided pro-bono, SySTEM Phoenix will most likely use Carter Law Group, a law firm specializing in non-profit and charter school law, with extensive experience working with start up schools in the Phoenix area.

Technology Services: Technology services that fall outside the expertise of the Chief Officers and staff will be contracted out based on need and area of expertise. While we anticipate partnerships with technology companies due to the nature of the STEM-based academic program, additional technology services will be sought out from experienced engineers as needed. The proposed Chief Operations Officer's brother is a web developer, so much of the website development and troubleshooting will be provided pro-bono. Network services and wireless filter setup will most likely be provided by David Dillman, a local software engineer who has provided discounted services to Empower College Prep and agreed to do the same for SySTEM Phoenix.

C. Costs for Services

Services Provided	Source of Quotes	Fee	Yearly Cost	Assumptions
Speech-Language Pathology/	Speech & More, Inc.	$60 per hour	Y1: $9,000 Y2: $18,000	Y1: Assumes 5% of 100 student population receives SLP or OT services, requiring on average 15 hours per month

OT/ PT	Mariposa Therapies		Y3: $27,000	x 10 months x $60/hr = $9000 per year Y2: Assumes 5% of 200 student population receives SLP services, requiring on average 30 hours per month x 10 months x $60/hr = $18,000 Y3: Assumes 5% of 300 student population receives SLP services, requiring on average 45 hours per month x 10 months x $60/hr = $27,000
Psychological Services	Dandrine Strachan, licensed independent child Psychologist	$300 per evaluation	Y1: $1500 Y2: $1500 Y3: $1500	Y1: Assumes 5% of students will need psychological evaluations each year. 5 students x $300 = $1500 Y2: Assumes 5% of new students will need psychological evaluations each year. 5 students x $300 = $1500 Y3: Assumes 5% of new students will need psychological evaluations each year. 5 students x $300 = $1500
Food Services	L&M Catering	$1.40 per student breakfast $2.40 per student lunch	Assumes calculations below with 100% reimbursement from NSLP for a net cost of $0 each year. Y1: $69,160 Y2: $138,320 Y3: $207,480	Y1: 100 students x 182 days x $1.40 = $25,480 (breakfast) & 100 students x 182 days x $2.40 = $43,680 (lunch). Total = $69,160 Assumes same calculation for Y2 and Y3 with increasing student population and 100% reimbursement from participation in National School Lunch Program and National School Breakfast Program and/or payment from Paid status students for breakfast and/or lunch.
Accounting	ASPIRE Financial Services	$100 per hour	Y1: $6000 Y2: $7200 Y3: $8400	Y1: Assumes 5 hours per month for bank account reconciliation, review of accounts payable process, account coding, payroll, and review of annual budgets and annual financial report, as well as preparation for annual audit. 5

				hours x $100 per hour = $500 per month Y2: Assumes 6 hours per month for above services x $100 per hour = $600 per month Y3: Assumes 7 hours per month for above services x $100 per hour = $700 per month
Payroll	QTS Payroll Services	$19.95 setup fee, $2.00 per employee per payroll	Y1: $403.95 Y2: $576 Y3: $768	Y1: 8 employees x $2.00 per employee x 24 payroll periods + $19.95 setup fee = $403.95 Y2: 12 employees x $2.00 per employee x 24 payroll periods + 19.95 setup fee = $576 Y3: 16 employees x $2.00 per employee x 24 payroll periods + 19.95 setup fee = $768
Technology Services	David Dillman, Independent Software Engineer, Tech Support	$50 per hour for IT support	Y1: $1000 Y2: $1000 Y3: $1000	Y1: Assumes setup of CIPA filter, wireless network, including Wireless Access Points, router, and modem= 20 hours x $50 per hour = $1000 Y2: Assumes regular maintenance of filter and wireless network, addition of networking 25 student computers = 20 hours x $50 per hour =$1000 Y3: Assumes regular maintenance of filter and wireless network, addition of networking 25 student computers = 20 hours x $50 per hour =$1000
Copier Lease	Fourtech & Fitex	$350/mo for 2 copiers with 30,000 copies per month	Y1: $3,850 Y2: $5,400 Y3: $6,600	Y1: Assumes two large black and white copiers, with faxing and scanning capabilities at $350/month for 30,000 copies per month x 11 months in Y1=$3,850 Y2: Assumes two large black and white copiers, with faxing and scanning capabilities at $450/month for 40,000 copies per month x 12 months in

				Y1=$5,400 Y3: Assumes three large black and white copiers, with faxing and scanning capabilities at $550/month for 40,000 copies per month x 12 months in Y3=$6,600
Building Maintenance	Prestige Janitorial Staff	$13.32 per hour	Y1: $7,270 Y2: $9,697 Y3: $12,121	Y1: Assumes daily janitorial service @ $13.32/hour x 3 hours per day x 182 days = $7,270 Y1: Assumes daily janitorial service @ $13.32/hour x 4 hours per day x 182 days = $9,697 Y1: Assumes daily janitorial service @ $13.32/hour x 5 hours per day x 182 days = $12,121
Legal Services	Carter Law Group	$100 per hour	Y1: $4,000 Y2: $6,000 Y3: $7,000	Y1: Assumes legal advice that cannot be obtained pro-bono from board members with legal qualifications will be purchased through Carter Law Group.

D. Sources for Costs

All costs estimated above are based on a compilation of quotes collected from local vendors, statements from local charter school leaders regarding the cost they pay for each service, and the personal experience of the proposed Chief Operations Officer as the current Business Operations Manager at Empower College Prep managing all of the above vendor contracts. Given the similarity in size (100 students in Y1, 200 students in Y2, 300 students in Y3), location (Central Phoenix), target population (percent free and reduced lunch, similar grade levels) of Empower College Prep and SySTEM Phoenix's projected enrollment, the estimates from Empower College Prep are the most accurate and representative of the actual costs SySTEM Phoenix will incur, unless better rates are found that still meet the qualifications described above. Costs for all services are described in the Budget Narrative and included in the Start-Up and Three-Year Operational Budget as appropriate.