DOCKET FILE COPY ORIGINAL

October 11, 2001

Federal Communications Commission
Office of the Secretary
445 – 12th Street, S.W.
Room TW – A325
Washington, DC 20554

RECEIVED

OCT 12 2001

FCC MAIL ROOM

Re: CC Docket Nos. 96-45 and 97-21

To Whom It May Concern:

This letter is in appeal of the SLD administrative decision denying payment of SLD Invoice Number 234183, applicant's Invoice Number "Lee 0701". This information was delivered by USAC in "USAC REFERENCE # C000082057 – STATEMENT DATE 09/14/2001" (copy attached).

Our contact information is as follows:

Tom Traywick, Jr., Vice President for Business Development
Systems Services Group
Service Provider Number: 143005276
115 Atrium Way, Suite 125
Columbia, SC 29223
Telephone: (803) 419-3501 x314
FAX: (803) 419-3505
EMail: ttraywick@ssg-support.com

This letter of appeal is being written also on behalf of:

Lee County School District
Billed Entity: 127118
521 Park Street
Bishopville, SC 29010
Telephone: (803) 484-5327
FAX: (803) 484-5393
Email: matkinson@lee.k12.sc.us
Form 471 Application Number: 0000204509
Funding Request Number: 0000468630

No. of Copies rec'd 0
List ABCDE

SSG
Systems Services Group
115 Atrium Way,
Suite 125
Columbia, SC 29223
phone: 803.419.3501
fax: 803.419.3505
www.ssg-support.com

and on behalf of:

Marlboro County School District
Billed Entity: 127191
122 Broad Street
Bennettsville, SC 29512
Telephone: (843) 454-1997
FAX: (843) 454-1997
Email: dwimberly@marlboro.k12.sc.us
Form 471 Application Number: 0000185535
Funding Request Number: 0000389273

Regarding Lee County School District

The SLD administrative decision (referenced above) denying payment of SLD Invoice Number 234183, applicant's Invoice Number "Lee 0701" communicated in "USAC REFERENCE # C000082057 – STATEMENT DATE 09/14/2001" (copy attached) applies to Lee County School District.

In addition we have received verbal notification from USAC that our Form 474 Invoice Number "Lee 0801" (08312001) has been denied. We will be filing Form 474 Invoice Number "Lee 0901" (09302001) in a day or two. The contact for this matter at USAC is Jennifer Snell.

Regarding Marlboro County School District

We have received verbal notification from USAC that our Form 474 Invoice Number "Mar 0801" (08312001) has been denied. We will be filing Form 474 Invoice Number "Mar 0901" (09302001) in a day or two. The contact for this matter at USAC is Jennifer Snell.

Enclosures

Please find enclosed (1) a copy of our contract with the Lee County School District, (2) a copy of our contract with the Marlboro County School District, and (3) a copy of the FCC Form 471 Instructions – September 1999 – Page 22.

I have also enclosed the data pages for the Funding Commitment Decision Letter, the Form 486 Notification Letter, and the Form 500 Notification Letter. As you can see, we were not able to begin delivery of services until over two months after the start of the funding year in Lee County School District. We were not able to begin delivery of services until over five months after the start of the funding year in Marlboro County School District.

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Reason for Denial

Payment of the invoices is being denied because the FRNs are classified as "Recurring" and are consequently ineligible for extension of the contract past the normal June 30, 2001 end of the funding year.

Grounds for Appeal

The FCC Form 471 Instructions – September 1999 – Page 22 (F. Block 5: Services Ordered, Item 23, Column A) state as follows:

> "If you expect to pay a non-recurring charge in multiple installments over the funding year, you should amortize this estimate in Columns A-E and NOT in Columns F-H."

Those are very clear and unambiguous instructions to put certain non-recurring charges in the recurring charge column. That does not change the fact that the charges are non-recurring charges for non-recurring services.

The Services Provided

If you examine our contracts, you will note that there is no annuity component (recurring) or retainer component. All of the services provided the District under this contract are non-recurring services. These services are provided when and if the District requests them, and on a time and materials basis. If no services are requested during a period, then no charges occur.

In Closing

These two applicants are economically disadvantaged (90%) Districts who were unable, through no fault of their own, to complete installation of non-recurring services by June 30, 2001 - particularly those services that could not easily be installed while school is in session.

They are now being denied funding for services already provided because they adhered to instructions that were poorly written and reasoned – instructions that are causing unintended consequences of hardship and inequity. The consequences will be devastating to the two districts and our small company.

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We all thank you for your kind attention to this matter. Please contact me if you have any questions or need additional information.

Sincerely,
Systems Services Group, Inc.

Tom Traywick, Jr.
Vice-President for Business Development
(803) 419-3501 x314
ttraywick@ssg-support.com

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0143005276 0001 P01 BP0 1N0000 ML1 IH0000 AL01
Systems Services Group. Inc.
ATTN : Thomas Traywick, Jr.
115 Atrium Way
Columbia SC 29020

SPIN # 143005276 USAC REFERENCE # C000082057 STATEMENT DATE 09/14/2001

RECEIVED

SEP 2 6 P.M.

09/13/2001 143005276 468630 LEE 0701 .00
SLD Invoice Number:234183;Line Item Detail Number:
664281;Amount Requested:6727.30;Bill Date Outside
Funding Year;285;

.00

Direct questions to USAC Customer Service Bureau 888-641-8722 PG 1 OF 1

Any of the following are acceptable as attachments for Item (21) IF they include all the information specified above:

- Vendor-created list. Service providers often have standard formats to describe the services or products for which they have contracted. They should provide this to you upon request, and applicants may find it useful to require this documentation in the contract.

- Bill or invoice. If a service provider bill includes the information specified above, the bill may be attached for your Item (21) list. Please include only the summary pages listing categories of service, and not every detailed transaction.

- Applicant-created list. Applicants may create their own lists as long as they are legible and include all of the information specified above.

Item (22) - Entities receiving this service. For site-specific services that will be provided to one individual entity and not shared by others (for example, a local area network to be installed in one school building), provide the Entity Number of the individual entity receiving that service in **Item (22)(a)**. For shared services used jointly by multiple entities (such as telecommunications services provided to all of the outlets in a library system), list the Block 4 Worksheet Number that shows the sharing entities and calculates the shared discount for this service in **Item (22)(b)**.

Item (23) - Use the step-by-step calculation grid to arrive at the total amount of your funding request. You may round dollar amounts to the nearest dollar, but please use numerals and include all digits. **DO NOT use words such as 1 million**, in place of 1,000,000. Note that if you are seeking support on multi-year contracts, you may only request funding for that portion of the contract that is delivered in the relevant funding year.

Use Columns A-E for any ***recurring*** charges for this service, and Columns F-H for any ***one-time*** charges for this service.

Item (23), Column A - Estimate your total monthly cost for this service. If the cost of service fluctuates from month to month, you might use the average of past bills to estimate the monthly cost.

If you expect to pay a non-recurring charge in multiple installments over the funding year, you should amortize this estimate in Columns A-E and NOT in Columns F-H. DO NOT include this amount under both recurring and non-recurring charges.

Item (23), Column B - Enter the total cost associated with ANY ineligible services, entities, or uses included in your monthly charges. The following represent some common ways in which eligible and ineligible costs are bundled together, and how you can go about deducting the ineligible costs.

NETWORK SYSTEMS SUPPORT SERVICES AGREEMENT

THIS NETWORK SYSTEMS SUPPORT SERVICES AGREEMENT ("Agreement") is made on 20 January, 2000, by and between Marlboro County School District ("the District"), with offices at 122 Broad Street, Bennettsville, South Carolina 29512, and Systems Services Group, Inc. ("SSG"), with offices at 115 Atrium Way, Suite 125, Columbia, South Carolina 29223.

In consideration of the mutual promises contained herein, the District engages SSG to perform the work described below and SSG accepts such engagement, under the following terms and conditions.

1. TERM. This agreement will commence on July 1, 2000, and continue through June 30, 2001, unless terminated earlier, or extended, as provided herein.

2. SCOPE OF WORK. The objective of this Agreement is to provide the District with networked computer systems management, operations and maintenance support in order to ensure efficient systems operation as nearly 100% of the time as is possible, and at a manageable cost. During the term of this agreement, SSG will perform these support services for the networked systems at the District both on-site and remotely from other locations, as requested by the District. All of the services provided to the District under the terms of this Agreement are billable if authorized by the District and will include, but not be limited to, the following:

    a. SSG will keep records segregated as to Non-E-rate eligible services and E-rate eligible services and will bill separately for these two distinctly different types of service. This Agreement is contingent upon the District receiving a funding commitment letter from the Schools and Libraries Division (SLD). The District may require SSG to begin work prior to notification from the SLD or to begin work after notification from the SLD. In either case, the District is responsible for all costs associated for any and all work performed by SSG resulting from this Agreement. The District is also responsible for ensuring the accuracy of all information sent to the SLD.

    b. In urgent situations, SSG will respond to the District within 4 business hours of telephone notification of a system shutdown condition. Urgent situations are herein defined as (1) file server down, (2) Wide Area Network down (3) the District payroll system down and (4) school administration system (Osiris and/or Food Services) down.

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c. SSG will provide staff, on-site and remotely, to provide administration, configuration and installation services for the District's computer systems and network components including software.

d. SSG will provide a toll free help desk to authorized contact personnel of the District. This help desk will ordinarily be staffed by personnel that are at least A+ Certified.

e. SSG will provide management advisory services including, but not limited to, planning and design, project management and scheduling, and procurement planning and management.

f. SSG agrees, if requested by the District, to be disqualified as a bidder on the District's computer systems components requirements during the term of the Agreement.

3. STATUS OF PARTIES. SSG is an independent contractor and not an employee, agent, or partner of or a joint venture with the District.

4. SUBCONTRACTING OR ASSIGNMENT. SSG will not subcontract or assign the work undertaken or any of its obligations or rights under this agreement without the District's prior written consent.

5. COMPENSATION

C1 C2 E1 E2 a. **Level 4 Support.** The District will pay SSG a fee equal to $104 per hour of work provided by SSG Systems Engineers during the term of this agreement, provided the work is authorized by the District and provided that such work is performed during normal working hours (8:30 a.m. to 4:30 p.m., Monday through Friday).

E3 b. **Level 3 Support.** The District will pay SSG a fee equal to $83 per hour of work provided by SSG Network Analysts during the term of this agreement, provided the work is authorized by the District and provided that such work is performed during normal working hours (8:30 a.m. to 4:30 p.m., Monday through Friday).

T2 c. **Level 2 Support.** The District will pay SSG a fee equal to $62 per hour of work provided by SSG Computer Analysts and Information Analysts during the term of this agreement, provided the work is authorized by the District and provided that such work is performed during normal working hours (8:30 a.m. to 4:30 p.m., Monday through Friday).

T3 d. **Level 1 Support.** The District will pay SSG a fee equal to $53 per hour of work provided by SSG Engineering Assistants during the term of this agreement, provided the work is authorized by the District and provided that such work is performed during normal working hours (8:30 a.m. to 4:30 p.m., Monday through Friday).

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e. For each 7 hours of work performed by SSG for the District during the term of this Agreement, one SSG staff member will make one trip to the District during the term of the Agreement, at no additional charge for travel time or expenses.

f. The District will pay SSG an additional fee of $30.00 per hour for each of those hours of work that is for services, and/or associated travel time, requested by the District to be performed outside of normal working hours.

g. In the event that the District requests trips in excess of the no charge trips provided for in section 5.e. of this Agreement (above), the District will pay SSG for travel time one way, at the rates quoted in sections 5.a. through 5.d. of this Agreement (above), and vehicle expenses at a rate of $0.31 per mile each way.

h. If, during the term of this Agreement, it becomes appropriate to consider (1) a requirement for additional hours, (2) an extension of the Term of the Agreement, (3) a renewal of the Agreement, or any other change or amendment to the Agreement; an Addendum to the Agreement may be executed by agreement and acceptance of both parties hereto. In the event that SSG provides work substantially in excess of the RFP estimates and in absence of an Addendum to the Agreement addressing hours of work provided substantially in excess of the RFP estimates, then the other language of Section 5 of this Agreement will remain in force for those hours of work, and all of the other provisions of this Agreement remain in force.

i. All maintenance fix or replace components provided by SSG will be priced at SSG's cost plus eight percent (8.0%) plus freight (if any) and Retail Sales Tax.

j. For equipment repairs and other services provided outside of the District's location, the hourly rate would be the same as defined in the sections above. The warranty on system components is provided by the manufacturer, and not by SSG. In case of a component failure, then SSG will assist the District in claiming fulfillment of the warranty by the manufacturer. SSG will bill the District's account for time and parts used, and credit the District's account for dollars and replacement parts received from the manufacturer.

k. The parties agree to jointly review the Agreement during the 30 days prior to the anniversary date. As stated in the RFP, renewals (up to five years) may be negotiated and executed by agreement and acceptance of both parties hereto.

l. Remote maintenance of servers will be provided for an annual fee for each and every server installed with this capability. The schedule of annual fees is as follows:

Per NetWare Server	$ 250.00
Per NT Server	$ 250.00
Per BorderManager Server	$ 290.00

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This fee (a third party software licensing fee) is calculated on an annual basis, is the only fee associated with the Remote Maintenance of Servers service option for the first year of the Agreement, is due and payable on the first day of the term of the Agreement, and on each anniversary thereafter (adjusted annually for the change in the Consumer Price Index) as the Agreement continues past the first year. The third party software is licensed to SSG.

m. SSG will provide installation of structured EIA/TIA compliant cabling under the terms of this Agreement as follows:

Horizontal Cabling (plenum)

Charge per drop (materials & tax included):	
1 drop to 1 faceplate	$121.00
2 drops to 1 faceplate	212.00
4 drops to 1 faceplate	424.00

Fiber Optic Cabling

Terminations (ea., labor and connector)	$ 35.50
Fiber Optic Cabling (6-strand, per 100 ft)	$ 84.00
Labor (per hundred feet)	$ 40.00
Plenum Innerduct and labor (per hundred feet)	$257.00
Fiber optic patch panel	$126.00

A six-strand run of fiber optics, could have up to 12 terminations.

Other Materials (includes installation)

Patch Panels (per port)	$4.00
Free-standing cabinet	$1800.00
45" Wall-mount cabinet'	$ 700.00
36" Wall-mount cabinet	$ 451.00
7' Floor-mount rack	$ 130.00
36" Wall-mount rack	$ 150.00
Wide Latchduct (for areas with no suspended ceiling) for each 8-foot span	$ 67.00

6. INVOICING AND PAYMENT. SSG will invoice the District bi-weekly. Invoices will itemize the hours billed per person (summarizing the tasks performed) and the expenses

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incurred. Invoices will be accompanied by such back-up documentation as the District may reasonably require. The District will pay all properly submitted invoices within 30 days of the invoice date.

7. CONFIDENTIALITY. SSG acknowledges and agrees that all information (whether verbal or written) about the District and the District's business disclosed to SSG by the District or learned by SSG during the performance of the work hereunder is "Confidential Information." Such Confidential Information is the District's sole property and this Agreement does not give SSG title or any rights to or any interest in the same. SSG agrees that it will disclose the Confidential Information only to those of its employees who have a need to know it for purposes of performing this Agreement and who have agreed to hold it in confidence as provided herein; will take such steps as are necessary to prevent any unauthorized disclosure of the Confidential Information; will not produce, sell, offer for sale or otherwise commercially exploit or make any use whatsoever of the Confidential Information (except to perform this Agreement) without the District's prior written consent; and will promptly deliver the Confidential Information and all copies thereof to the District at any time upon the District's written request. The foregoing confidentiality obligations do not extend to any information which was known to SSG and in its possession prior to commencing work hereunder (as evidenced by SSG's prior written records); is proven to have been in the public domain at the time of disclosure by the District; is proven to have been rightfully obtained hereafter from a third party which had no obligation of confidentiality to the District with respect thereto; or is required to be produced by governmental laws or regulations or judicial orders, provided that SSG notifies the District promptly in writing that such production has been requested and takes all reasonable steps to protect any information produced from public disclosure.

8. SSG'S WARRANTIES. SSG warrants that it has special expertise in the design, configuration, installation, maintenance and management of networked information systems and that it will perform the work hereby undertaken with its best efforts, in accordance with customary and generally accepted professional standards and practices, and in compliance with all applicable federal, state and local laws, regulations and orders.

9. CONTACTS. The District's contact person(s) for this work will be Deborah Wimberly, SSG's Officer-in-Charge will be Tom Traywick, and SSG's Billing Officer will be Toni Kelly. These persons will be responsible for all communications, decisions and approvals in connection with the work.

10. INSURANCE. During the term of this agreement, SSG will maintain, at is own expense, the following insurance coverage, as evidenced by insurance certificates provided to the District on request: statutory worker's compensation and employer's liability; comprehensive general

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public liability in the amount of $1 million bodily injury/property damage per occurrence; and automotive liability in the amount of $1 million bodily injury/property damage per occurrence.

11. FORCE MAJEURE. SSG will not be liable for any delays in performance hereunder due to events beyond its reasonable control (including, without limitation, acts of God, fire, flood, acts of war, acts of sovereign governments, and labor disputes) provided that it gives prompt notice of the nature and extent of the delay to the District, and further provided, that if such event continues for a period of more that 5 days, the District may terminate this Agreement upon written notice to SSG, without further obligation to SSG hereunder.

12. TERMINATION. If either party breaches any warranty hereunder or any provision of this Agreement, the other party may terminate this Agreement upon written notice, without further obligation hereunder, and/or may pursue any remedies available to it hereunder or at law or equity.

13. OTHER TERMINATION. This Agreement may be terminated by either party upon sixty (60) days written notice to the parties at their respective addresses as stated above. The District agrees to pay all sums owed through the date of termination and SSG agrees to furnish all service through the date of termination. All other provisions of the Agreement not in conflict with this provision shall remain in full force and effect.

14. NOTICES. Except as provided in Section 2 (regarding notification of a request for service and confirmation of the dispatch of services), all notices and required communications hereunder will be in writing and will be deemed given when delivered to the designated contact persons in person or 3 days after deposit in the United States mail, postage prepaid, addressed to the addresses first stated above or such other addresses as they have designated.

15. ENTIRE AGREEMENT, AMENDMENTS. This Agreement contains the entire agreement between the parties and supersedes any prior agreements (whether verbal or written) between them concerning the matters covered. In the event of a conflict between this Agreement and any District purchase order or any other document or form of the parties, this Agreement will supersede and govern. This Agreement may not be amended or modified except by a written amendment executed by both parties.

16. WAIVER. The failure of either party at any time to exercise any of its rights under the Agreement will not be deemed to be a waiver of such rights and will not in any way prevent such party from subsequently asserting or exercising such rights or any other rights hereunder.

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17. GOVERNING LAW. This Agreement will be governed, construed and enforced in accordance with the laws of the State of South Carolina, without recourse to the conflicts of laws provisions thereof.

18. SEVERABILITY. If any provision of the Agreement is or becomes invalid, in whole or part, under any applicable law or regulation, it will be deemed stricken and the rest of the Agreement will remain in full forces and effect.

19. PARTIES. This Agreement is binding on the District and SSG and their respective directors, officers, employees, agents, successors and any duly authorized assigns.

IN WITNESS WHEREOF, the parties have caused their authorized representatives to execute this Agreement in duplicate as of the date first written above.

MARLBORO COUNTY SCHOOL DISTRICT

By: Deborah D. Wimberly

Name: Deborah D. Wimberly

Title: Director of Instructional Media/Technology/Development

Date: 1/20/2000

SYSTEMS SERVICES GROUP, INC.

By:

Name: Thomas T. Traywick, Jr.

Title: President

Date: 1/20/2000

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FUNDING COMMITMENT REPORT

Service Provider Name: Systems Services Group, Inc.
Service Provider Identification Number: 143005276

Funding Request Number: 389273
Form 471 Application Number: 185535
Form 470 Application Number: 110870000251987
Name of 471 Applicant: MARLBORO COUNTY SCHOOL DIST
Applicant Street Address: 122 BROAD ST
Applicant City: BENNETTSVILLE
Applicant State: SC
Applicant Zip: 29512
Entity Number: 127191
Name of Contact Person: Deborah D. Wimberly
Preferred Mode of Contact: EMAIL
Contact Information: dwimberl@marlboro.k12.sc.us
Funding Year: 07/01/2000 - 06/30/2001
Funding Status: Funded
Contract Number: 8712-00-01-B
Services Ordered: Internal Connections
Billing Account Number: 8712
Allowable Contract Date: 12/14/1999
Contract Award Date: 01/14/2000
Earliest Possible Effective Date of Discount: 07/01/2000
Contract Expiration Date: 06/30/2001
Total Estimated Monthly Recurring Charges: $9914.60
Portion of Total Estimated Monthly Recurring Charges that is Ineligible: $0.00
Eligible Monthly Pre-Discount Amount for Recurring Charges: $9914.60
Number of Months Recurring Service Provided in Program Year: 12
Annual Pre-Discount Amount for Eligible Recurring Services: $118975.20
Annual Non-Recurring Charges: $0.00
Portion of Annual Non-Recurring Charges that is Ineligible: $0.00
Annual Eligible Pre-Discount Amount for Non-Recurring Charges: $0.00
Total Program Year Pre-Discount Amount: $118975.20
Applicant's Approved Discount Percentage: 87
Funding Commitment Decision: $103508.42 - FRN approved; modified by SLD
Funding Commitment Decision Explanation: The estimated one time and/or monthly charge was changed to reflect the documentation provided by the applicant.
Technology Plan Approval Status: Approved
Wave Number: 004
Applicant Letter Date: 05/05/2000

007891-MO-YYY-00015

FORM 486 NOTIFICATION LETTER FUNDING COMMITMENT SYNOPSIS (Funding Year 3)

Service Provider Name: Systems Services Group, Inc.
Service Provider Identification Number: 143005276

Funding Request Number: 389273
Form 471 Application Number: 185535
Form 470 Application Number: 110870000251987
Name of 471 Applicant: MARLBORO COUNTY SCHOOL DIST
Applicant Street Address: 122 BROAD STREET
Applicant City: BENNETTSVILLE
Applicant State: SC
Applicant Zip: 29512
Site Identifier:
Name of Contact Person: Deborah D. Wimberly
Preferred Mode of Contact: E-MAIL
Contact Information: dwimberl@marlboro.k12.sc.us
Name of Form 486 Contact Person: DEBORAH D. WIMBERLY
Address of Form 486 Contact: 122 BROAD STREET
City of Form 486 Contact: BENNETTSVILLE
State Code of Form 486 Contact: SC
Zip of Form 486 Contact: 29512
FAX of Form 486 Contact: 843-454-1999
Telephone of Form 486 Contact: 843-454-1997
E-mail Address of Form 486 Contact: dwimberl@marlboro.k12.sc.us
Funding Year: 07/01/2000 - 06/30/2001
Contract Number: 8712-00-01-B
Services Ordered: Internal Connections
Billing Account Number: 8712
Actual Service Start Date: 07/01/2000
Contract Expiration Date: 06/30/2001
Total Program Year Pre-discount Amount: $118,975.20
Applicant's Approved Discount Percentage: 87%
Funding Commitment Decision: $103,508.42

FORM 500 NOTIFICATION LETTER FUNDING COMMITMENT SYNOPSIS
(Funding Year 3: 07/01/2000 - 06/30/2001)

Service Provider Name: Systems Services Group, Inc.
Service Provider Identification Number: 143005276

Funding Request Number: 389273
Form 471 Application Number: 185535
Name of 471 Applicant: MARLBORO COUNTY SCHOOL DIST
Billed Entity Number: N/A
Name of Form 500 Contact Person: DEBORAH D. WIMBERLY
Form 500 Contact Information: 122 BROAD STREET, BENNETTSVILLE, SC 29512,
843-454-1997, 843-454-1999,
DWIMBERLY@MARLBORO.K12.SC.US
Funding Year 3: 07/01/2000 - 06/30/2001
Billing Account Number: 8712
Contract Expiration Date Change: 06/30/2001; 09/30/2001

NETWORK SYSTEMS SUPPORT SERVICES AGREEMENT

THIS NETWORK SYSTEMS SUPPORT SERVICES AGREEMENT ("Agreement") is

made on January 14, 2000, by and between Lee County School District ("the District"), with offices at 521 Park Street, Bishopville, South Carolina 29010, and Systems Services Group, Inc. ("SSG"), with offices at 115 Atrium Way, Suite 125, Columbia, South Carolina 29223.

In consideration of the mutual promises contained herein, the District engages SSG to perform the work described below and SSG accepts such engagement, under the following terms and conditions.

1. TERM. This agreement will commence on July 1, 2000, and continue through June 30, 2002, unless terminated earlier, or extended, as provided herein.

SCOPE OF WORK. The objective of this Agreement is to provide the District with networked computer systems management, operations and maintenance support in order to ensure efficient systems operation as nearly 100% of the time as is possible, and at a manageable cost. During the term of this agreement, SSG will perform these support services for the networked systems at the District both on-site and remotely from other locations, as requested by the District. All of the services provided to the District under the terms of this Agreement are billable if authorized by the District and will include, but not be limited to, the following:

a. SSG will keep records segregated as to Non-E-rate eligible services and E-rate eligible services and will bill separately for these two distinctly different types of service. This Agreement is contingent upon the District receiving a funding commitment letter from the Schools and Libraries Division (SLD). The District may require SSG to begin work prior to notification from the SLD or to begin work after notification from the SLD. In either case, the District is responsible for all costs associated for any and all work performed by SSG resulting from this Agreement. The District is also responsible for ensuring the accuracy of all information sent to the SLD.

b. In urgent situations, SSG will respond to the District within 4 business hours of telephone notification of a system shutdown condition. Urgent situations are herein defined as (1) file server down, (2) Wide Area Network down (3) the District payroll system down and (4) school administration system (Osiris and/or Food Services) down.

c. SSG will provide staff, on-site and remotely, to provide administration, configuration and installation services for the District's computer systems and network components including software.

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d. SSG will provide a toll free help desk to authorized contact personnel of the District. This help desk will ordinarily be staffed by personnel that are at least A+ Certified.

e. SSG will provide management advisory services including, but not limited to, planning and design, project management and scheduling, and procurement planning and management.

f. SSG agrees, if requested by the District, to be disqualified as a bidder on the District's computer systems component requirements during the term of the Agreement.

2. STATUS OF PARTIES. SSG is an independent contractor and not an employee, agent, or partner of or a joint venture with the District.

3. SUBCONTRACTING OR ASSIGNMENT. SSG will not subcontract or assign the work undertaken or any of its obligations or rights under this agreement without the District's prior written consent.

4. COMPENSATION

a. **Level 4 Support.** The District will pay SSG a fee equal to $99 per hour of work provided by SSG Systems Engineers during the term of this agreement, provided the work is authorized by the District and provided that such work is performed during normal working hours (8:30 a.m. to 4:30 p.m., Monday through Friday).

b. **Level 3 Support.** The District will pay SSG a fee equal to $77 per hour of work provided by SSG Network Analysts during the term of this agreement, provided the work is authorized by the District and provided that such work is performed during normal working hours (8:30 a.m. to 4:30 p.m., Monday through Friday).

c. **Level 2 Support.** The District will pay SSG a fee equal to $61 per hour of work provided by SSG Computer Analysts and Information Analysts during the term of this agreement, provided the work is authorized by the District and provided that such work is performed during normal working hours (8:30 a.m. to 4:30 p.m., Monday through Friday).

d. **Level 1 Support.** The District will pay SSG a fee equal to $51 per hour of work provided by SSG Engineering Assistants during the term of this agreement, provided the work is authorized by the District and provided that such work is performed during normal working hours (8:30 a.m. to 4:30 p.m., Monday through Friday).

e. For each 7 hours of work performed by SSG for the District during the term of this Agreement, one SSG staff member will make one trip to the District during the term of the Agreement, at no additional charge for travel time or expenses.

Systems Services Group
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www.ssg-support.com

f. The District will pay SSG an additional fee of $30.00 per hour for each of those hours of work that is for services, and/or associated travel time, requested by the District to be performed outside of normal working hours.

g. In the event that the District requests trips in excess of the no charge trips provided for in section 5.e. of this Agreement (above), the District will pay SSG for travel time one way, at the rates quoted in sections 5.a. through 5.d. of this Agreement (above), and vehicle expenses at a rate of $0.31 per mile each way.

h. If, during the term of this Agreement, it becomes appropriate to consider (1) a requirement for additional hours, (2) an extension of the Term of the Agreement, (3) a renewal of the Agreement, or any other change or amendment to the Agreement; an Addendum to the Agreement may be executed by agreement and acceptance of both parties hereto. In the event that SSG provides work substantially in excess of the RFP estimates and in absence of an Addendum to the Agreement addressing hours of work provided substantially in excess of the RFP estimates, then the other language of Section 5 of this Agreement will remain in force for those hours of work, and all of the other provisions of this Agreement remain in force.

i. All maintenance fix or replace components provided by SSG will be priced at SSG's cost plus eight percent (8.0%) plus freight (if any) and Retail Sales Tax.

j. For equipment repairs and other services provided outside of the District's location, the hourly rate would be the same as defined in the sections above. The warranty on system components is provided by the manufacturer, and not by SSG. In case of a component failure, then SSG will assist the District in claiming fulfillment of the warranty by the manufacturer. SSG will bill the District's account for time and parts used, and credit the Districts's account for dollars and replacement parts received from the manufacturer.

k. The parties agree to jointly review the Agreement during the 30 days prior to each anniversary date. Renewals (up to five years) may be negotiated and executed by agreement and acceptance of both parties hereto.

l. Remote maintenance of servers will be provided for an annual fee for each and every server installed with this capability. The schedule of annual fees is as follows:

Per NetWare Server	$ 250.00
Per NT Server	$ 250.00
Per BorderManager Server	$ 290.00

This fee (a third party software licensing fee) is calculated on an annual basis, is the only fee associated with the Remote Maintenance of Servers service option for the first year of the Agreement, is due and payable on the first day of the term of the Agreement, and on each anniversary thereafter (adjusted annually for the change in

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the Consumer Price Index) as the Agreement continues past the first year. The third party software is licensed to SSG.

m. SSG will provide installation of structured EIA/TIA compliant cabling under the terms of this Agreement as follows:

Horizontal Cabling (plenum)

Charge per drop (materials & tax included):	
1 drop to 1 faceplate	$121.00
2 drops to 1 faceplate	212.00
4 drops to 1 faceplate	424.00

Fiber Optic Cabling

Terminations (ea., labor and connector)	$ 35.50
Fiber Optic Cabling (6-strand, per 100 ft)	$ 84.00
Labor (per hundred feet)	$ 40.00
Plenum Innerduct and labor (per hundred feet)	$257.00
Fiber optic patch panel	$126.00

A six-strand run of fiber optics, could have up to 12 terminations.

Other Materials (includes installation)

Patch Panels (per port)	$4.00
Free-standing cabinet	$1800.00
45" Wall-mount cabinet	$ 700.00
36" Wall-mount cabinet	$ 451.00
7' Floor-mount rack	$ 130.00
36" Wall-mount rack	$ 150.00
Wide Latchduct (for areas with no suspended ceiling) for each 8-foot span	$ 67.00

5. INVOICING AND PAYMENT. SSG will invoice the District bi-weekly. Invoices will itemize the hours billed per person (summarizing the tasks performed) and the expenses incurred. Invoices will be accompanied by such back-up documentation as the District may reasonably require. The District will pay all properly submitted invoices within 30 days of the invoice date.

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6. CONFIDENTIALITY. SSG acknowledges and agrees that all information (whether verbal or written) about the District and the District's business disclosed to SSG by the District or learned by SSG during the performance of the work hereunder is "Confidential Information." Such Confidential Information is the District's sole property and this Agreement does not give SSG title or any rights to or any interest in the same. SSG agrees that it will disclose the Confidential Information only to those of its employees who have a need to know it for purposes of performing this Agreement and who have agreed to hold it in confidence as provided herein; will take such steps as are necessary to prevent any unauthorized disclosure of the Confidential Information; will not produce, sell, offer for sale or otherwise commercially exploit or make any use whatsoever of the Confidential Information (except to perform this Agreement) without the District's prior written consent; and will promptly deliver the Confidential Information and all copies thereof to the District at any time upon the District's written request. The foregoing confidentiality obligations do not extend to any information which was known to SSG and in its possession prior to commencing work hereunder (as evidenced by SSG's prior written records); is proven to have been in the public domain at the time of disclosure by the District; is proven to have been rightfully obtained hereafter from a third party which had no obligation of confidentiality to the District with respect thereto; or is required to be produced by governmental laws or regulations or judicial orders, provided that SSG notifies the District promptly in writing that such production has been requested and takes all reasonable steps to protect any information produced from public disclosure.

7. SSG'S WARRANTIES. SSG warrants that it has special expertise in the design, configuration, installation, maintenance and management of networked information systems and that it will perform the work hereby undertaken with its best efforts, in accordance with customary and generally accepted professional standards and practices, and in compliance with all applicable federal, state and local laws, regulations and orders.

8. CONTACTS. The District's contact person(s) for this work will be Millie Atkinson, SSG's Officer-in-Charge will be Tom Traywick, and SSG's Billing Officer will be Toni Kelly. These persons will be responsible for all communications, decisions and approvals in connection with the work. The Engineer-in-Charge will be Susan Schultz, CNE, Senior Systems Engineer.

9. INSURANCE. During the term of this agreement, SSG will maintain, at is own expense, the following insurance coverage, as evidenced by insurance certificates provided to the District on request: statutory worker's compensation and employer's liability; comprehensive general public liability in the amount of $1 million bodily injury/property damage per occurrence; and automotive liability in the amount of $1 million bodily injury/property damage per occurrence.

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10. FORCE MAJEURE. SSG will not be liable for any delays in performance hereunder due to events beyond its reasonable control (including, without limitation, acts of God, fire, flood, acts of war, acts of sovereign governments, and labor disputes) provided that it gives prompt notice of the nature and extent of the delay to the District, and further provided, that if such event continues for a period of more that 5 days, the District may terminate this Agreement upon written notice to SSG, without further obligation to SSG hereunder.

11. TERMINATION. If either party breaches any warranty hereunder or any provision of this Agreement, the other party may terminate this Agreement upon written notice, without further obligation hereunder, and/or may pursue any remedies available to it hereunder or at law or equity.

12. OTHER TERMINATION. This Agreement may be terminated by either party upon sixty (60) days written notice to the parties at their respective addresses as stated above. The District agrees to pay all sums owed through the date of termination and SSG agrees to furnish all service through the date of termination. All other provisions of the Agreement not in conflict with this provision shall remain in full force and effect.

13. NOTICES. Except as provided in Section 2 (regarding notification of a request for service and confirmation of the dispatch of services), all notices and required communications hereunder will be in writing and will be deemed given when delivered to the designated contact persons in person or 3 days after deposit in the United States mail, postage prepaid, addressed to the addresses first stated above or such other addresses as they have designated.

14. ENTIRE AGREEMENT, AMENDMENTS. This Agreement contains the entire agreement between the parties and supersedes any prior agreements (whether verbal or written) between them concerning the matters covered. In the event of a conflict between this Agreement and any District purchase order or any other document or form of the parties, this Agreement will supersede and govern. This Agreement may not be amended or modified except by a written amendment executed by both parties.

15. WAIVER. The failure of either party at any time to exercise any of its rights under the Agreement will not be deemed to be a waiver of such rights and will not in any way prevent such party from subsequently asserting or exercising such rights or any other rights hereunder.

16. GOVERNING LAW. This Agreement will be governed, construed and enforced in accordance with the laws of the State of South Carolina, without recourse to the conflicts of laws provisions thereof.

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Network Systems Support Services Agreement
Systems Services Group, Inc.

17. SEVERABILITY If any provision of the Agreement is or becomes invalid, in whole or part, under any applicable law or regulation, it will be deemed stricken and the rest of the Agreement will remain in full forces and effect

18. PARTIES. This Agreement is binding on the District and SSG and their respective directors, officers, employees, agents, successors and any duly authorized assigns

IN WITNESS WHEREOF, the parties have caused their authorized representatives to execute this Agreement in duplicate as of the date first written above.

LEE COUNTY SCHOOL DISTRICT

By:

Name: Willie Jones

Title: Superintendent

Date: 1/14/2000

SYSTEMS SERVICES GROUP, INC.

By:

Name: Thomas T. Traywick, Jr.

Title: President

Date: 1/14/2000

SSG
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FUNDING COMMITMENT REPORT

Service Provider Name: Systems Services Group, Inc.
Service Provider Identification Number: 143005276

Funding Request Number: 468630
Form 471 Application Number: 204509
Form 470 Application Number: 229530000270755
Name of 471 Applicant: LEE COUNTY SCHOOL DISTRICT
Applicant Street Address: 521 PARK STREET, PO BOX 507
Applicant City: BISHOPVILLE
Applicant State: SC
Applicant Zip: 29010
Entity Number: 127118
Name of Contact Person: MILLIE ATKINSON
Preferred Mode of Contact: FAX
Contact Information: (803) 484-5393
Funding Year: 07/01/2000 - 06/30/2001
Funding Status: Funded
Contract Number: 8709-00-01
Services Ordered: Internal Connections
Billing Account Number: (803) 484-5327
Allowable Contract Date: 01/09/2000
Contract Award Date: 01/14/2000
Earliest Possible Effective Date of Discount: 07/01/2000
Contract Expiration Date: 06/30/2001
Total Estimated Monthly Recurring Charges: $26667.00
Portion of Total Estimated Monthly Recurring Charges that is Ineligible: $0.00
Eligible Monthly Pre-Discount Amount for Recurring Charges: $26667.00
Number of Months Recurring Service Provided in Program Year: 12
Annual Pre-Discount Amount for Eligible Recurring Services: $320004.00
Annual Non-Recurring Charges: $0.00
Portion of Annual Non-Recurring Charges that is Ineligible: $0.00
Annual Eligible Pre-Discount Amount for Non-Recurring Charges: $0.00
Total Program Year Pre-Discount Amount: $320004.00
Applicant's Approved Discount Percentage: 87
Funding Commitment Decision: $278403.48 - 471 approved as submitted
Technology Plan Approval Status: Approved
Wave Number: 017
Applicant Letter Date: 08/04/2000

001001-MD-YYY-00007

FORM 486 NOTIFICATION LETTER FUNDING COMMITMENT SYNOPSIS (Funding Year 3)

Service Provider Name: Systems Services Group, Inc.
Service Provider Identification Number: 143005276

Funding Request Number: 468630
Form 471 Application Number: 204509
Form 470 Application Number: 229530000270755
Name of 471 Applicant: LEE COUNTY SCHOOL DISTRICT
Applicant Street Address: 521 PARK ST
Applicant City: BISHOPVILLE
Applicant State: SC
Applicant Zip: 29010
Site Identifier:
Name of Contact Person: MILLIE ATKINSON
Preferred Mode of Contact: FAX
Contact Information: 803-484-5393
Name of Form 486 Contact Person: MILLIE ATKINSON OR GORDON CORRELL
Address of Form 486 Contact: 521 PARK ST
City of Form 486 Contact: BISHOPVILLE
State Code of Form 486 Contact: SC
Zip of Form 486 Contact: 29010
FAX of Form 486 Contact: 803-484-5393
Telephone of Form 486 Contact: 803-484-5327
E-mail Address of Form 486 Contact: MATKINSON@Lee.K12.SC.US
Funding Year: 07/01/2000 - 06/30/2001
Contract Number: 8709-00-01
Services Ordered: Internal Connections
Billing Account Number: (803) 484-5327
Actual Service Start Date: 07/01/2000
Contract Expiration Date: 06/30/2001
Total Program Year Pre-discount Amount: $320,004.00
Applicant's Approved Discount Percentage: 87%
Funding Commitment Decision: $278,403.48

FORM 500 NOTIFICATION LETTER FUNDING COMMITMENT SYNOPSIS
(Funding Year 3: 07/01/2000 - 06/30/2001)

Service Provider Name: Systems Services Group, Inc.
Service Provider Identification Number: 143005276

Funding Request Number: 468630
Form 471 Application Number: 204509
Name of 471 Applicant: LEE COUNTY SCHOOL DISTRICT
Billed Entity Number: N/A
Name of Form 500 Contact Person: MILLIE ATKINSON
Form 500 Contact Information: P.O. BOX 507, BISHOPVILLE, SC 29010, 803-484-5327, 803-484-9107, MATKINSON@LEE.K12.SC.US
Funding Year 3: 07/01/2000 - 06/30/2001
Billing Account Number: (803) 484-5327
Contract Expiration Date Change: 06/30/2001; 09/30/2001