



Joe Schickman <joe.schickman@aimschools.org>

Fwd: Thank you for meeting with us

Christopher Edington <chris.edington@aimschools.org>
To: Joe Schickman <joe.schickman@aimschools.org>

Fri, May 25, 2018 at 3:05 PM

----- Forwarded message -----

From: **Kiumars Arzani** <karzani@csmci.com>

Date: Fri, May 18, 2018 at 5:31 PM

Subject: Thank you for meeting with us

To: Maya Woods-Cadiz <maya.woods-cadiz@aimschools.org>, "chris.edington@aimschools.org" <chris.edington@aimschools.org>

Cc: Adrienne Barnes <abarnes@csmci.com>, Tom Nichols <tnichols@csmci.com>, Lorrina Thorp <lthorp@csmci.com>, Pat Meckes <pmeckes@csmci.com>, Sandro Lanni <slanni@csmci.com>

Dear Maya & Chris,

First, it was great to meet with your team (in person or phone), and I sincerely appreciated the honest conversations and reflections that we had. I am glad that I was at the meeting to hear your concerns and suggestions, because ultimately, the buck stops with me. If we can not serve your needs, we do not deserve to have your business.

Second, I am glad that I could freely share our perceptions and concerns with you as well, so that through open and honest dialogue going forward, we can better serve you.

Third, based on our conversation, I am forwarding to you three contracts that within them, you have the scope of work that we will be doing for you (as you requested). In the contracts, I have also included (in the addendum) your request of having a person assigned to your schools for regular weekly visits to gather documents, help with developing better systems, and provide the necessary information to be processed at our Temecula headquarters. This means that in addition to your school business manager (Adrienne Barnes), you will also be assigned a school service manager to be the support for Ms. Barnes for greater access to our team. As always, these two will be the quarterback for the rest of the CSMC team that manages your work.

Finally, as discussed with you during our side meeting in Maya's office, AIM has been underpriced from day one, and has been on a month to month contract with CSMC for the past two years. We will honor this for the rest of this school year, with the end date of June 30th, 2018.

Per your request, I am forwarding three (1, 3, and 5 year) contracts. Obviously, the longer the contract, the lower the dollar amount. I do understand that you may or may not know the going market rate for Back Office services. Our; however, for comparison, our competitors price their contracts at 3 to 5% of total revenues. CSMC prices its contracts at 2 to 3% of total revenue. Aim was

priced at just over 1%. We are the oldest, biggest and the most comprehensive, and we are the only service provider that does wrap-around service for our clients.

With all of that said, here is the breakdown of the contracts that includes having in addition to Adrienne, a school service manager for more regular weekly visits to the school:

1. One-year contract for the 2018-19 school-year:
 - Your estimated 2018-19 school-year overall budget is \$14,684,695.
 - I will keep your 1-year contract at just around 2.74% which I will round down to \$402,000 annual (\$33,500 per month). This will be your rate starting July 1st, 2018 if you decide to only go with a 1-year contract. This contract will give you the opportunity to shop around if you feel it necessary.
2. Three-year contract for the 2018-21 school-years:
 1. Overall annual budgets:
 - Your estimated 2018-19 school-year overall budget is \$14,684,695.
 - Your estimated 2019-20 school-year overall budget is \$16,056,414.
 - Your estimated 2020-21 school-year overall budget is \$17,334,383.
 2. If you were to go with a 3-year budget, I would reduce our percentage to 2.5%, and would honor that regardless of any growth in school size or revenue.
 - Year 1 would be rounded down to \$366,000 annually or (\$30,500 per month).
 - Year 2 would be rounded down to \$402,000 annually or (\$33,500 per month)
 - Year 3 would be rounded down to \$432,000 annually or (\$36,000 per month)
 3. If you choose to go with a 3-year contract, your new rate will start July 1st, 2018 and we will honor it by not increasing prices during the term of the contract regardless of your increase in size or number of schools.
3. Five-year contract for the 2018-23 school-years:
 1. Overall annual budgets:
 - Your estimated 2018-19 school-year overall budget is \$14,684,695.
 - Your estimated 2019-20 school-year overall budget is \$16,056,414.
 - Your estimated 2020-21 school-year overall budget is \$17,334,383.
 - Your estimated 2021-22 school-year overall budget is \$18,030,472.
 - Your estimated 2022-23 school-year overall budget is \$18,527,926.
 2. If you were to go with a 5-year budget, I would reduce our percentage to 2.25%, and would honor that regardless of any growth in school size or revenue.
 - Year 1 would be rounded down to \$330,000 annually or (\$27,500 per month).
 - Year 2 would be rounded down to \$360,000 annually or (\$30,000 per month)
 - Year 3 would be rounded down to \$384,000 annually or (\$32,000 per month)
 - Year 4 would be rounded down to \$396,000 annually or (\$33,000 per month)
 - Year 5 would be rounded down to \$408,000 annually or (\$34,000 per month)
 3. If you choose to go with a 5-year contract, your new rate will start July 1st, 2018 and we will honor it by not increasing prices during the term of the contract regardless of your increase in size or number of schools.

The budget amounts that I used for my calculations came from your 7-year plan; however, I significantly reduced my contract amounts to take into consideration that these are only estimates. The benefit of a longer contract for you is that if your enrollment goes up, we will not increase your contract amount, but if they go down, we will decrease our contract amount. I keep our contract percentage significantly lower than any other Back Office service provider, because as a past operator, I want to keep as much of your revenue in the classroom.

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
AIM 1	\$1,723,766.00	\$1,846,647.00	\$1,916,586.00	\$1,993,490.00	\$2,051,283.00	\$2,070,248.00
AIM 2	\$8,016,780.00	\$8,161,895.00	\$8,375,944.00	\$8,620,033.00	\$8,833,090.00	\$8,914,968.00
AIM HS	\$4,944,149.00	\$6,047,872.00	\$7,041,853.00	\$7,416,949.00	\$7,643,553.00	\$7,717,430.00

Total AIM Budget	\$14,684,695.00	\$16,056,414.00	\$17,334,383.00	\$18,030,472.00	\$18,527,926.00	\$18,702,646.00
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Again, thank you for your time for our visit, and please feel free to contact me with any questions or concerns.

Have a great weekend.

Kiumars Arzani

Executive Vice President of Operations

"At CSMC, We Rise by Lifting Others"

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3 attachments

 **American Indian Model Schools 5-Year Contract.pdf**
1051K

 **American Indian Model Schools_3-Year Contract.pdf**

5/25/2018

American Indian Model Schools Mail - Fwd: Thank you for meeting with us

1052K



American Indian Model Schools_One-Year Contract.pdf

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