

Education Achievement Authority
of Michigan

Equity. Choice. Reinvention.

RESOLUTION 2012-23
APPROVAL OF HUMAN RESOURCE REPORT

The Executive Committee of the Education Achievement Authority resolves:

1. That it accepts the Human Resources report as presented by the Chancellor;
2. That the Chancellor is authorized to implement the recommendations as presented in the Human Resources report and in accordance with EAA Standard Operations and Procedures manual and applicable law.

Certification:

I certify that this resolution was duly adopted by the Executive Committee of the Education Achievement Authority at a properly-noticed open meeting held with a quorum present on the ____ day of _____.

By: _____
President

By: _____
Secretary



Legal Counsel
Approved as to Form

Education Achievement Authority
of Michigan

Equity. Choice. Reinvention.

**RESOLUTION 2012-24 [A-C]
APPROVAL OF CONTRACTING AGREEMENT WITH PROFESSIONAL EDUCATIONAL
SERVICES GROUP, LLC TO PROVIDE STAFFING SERVICES**

The Executive Committee of the Education Achievement Authority resolves:

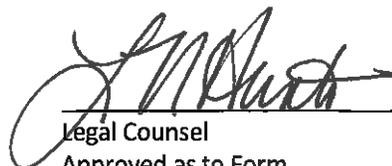
1. That the attached:
 - A) Three-Party Substitute Contracting Agreement with Professional Educational Services Group, LLC ("PESG"), and Wayne RESA, to hire, process, assign, and perform other related services for all Substitute Teacher and Paraprofessional Substitute Teacher positions, for the EAA of Michigan;
 - B) Master Services Agreement with Educational Services Solutions ("ESS"), Inc., to hire and perform other related services for Security Guards and a Security Supervisor for the EAA of Michigan; and
 - C) Master Services Agreement with Educational Staffing Resources ("ESR") to hire and perform related services for hourly and salaried administrative and support staff for the EAA of Michigan is approved by the Executive Committee of the Authority as the governing body of the Authority;
2. That the Chancellor of the Authority is authorized to execute the Master Services Agreements on behalf of the Authority;
3. That the Secretary of the Executive Committee of the Authority shall enter the terms of the Agreements in the minutes of the proceedings of the Executive Committee of the Authority.

Certification:

I certify that this resolution was duly adopted by the Executive Committee of the Education Achievement Authority at a properly-noticed open meeting held with a quorum present on the ____ day of _____.

By: _____
President

By: _____
Secretary



Legal Counsel
Approved as to Form

Resolution 2012-24

A



THIS AGREEMENT is between _____ defined collectively as the sponsoring ISD/RESA/ESA and the participating constituent School Districts (hereinafter referred to as "CUSTOMER") and PROFESSIONAL EDUCATIONAL SERVICES GROUP, LLC, a Michigan Limited Liability Company, of Grand Rapids, Michigan (hereinafter referred to as "PESG") and becomes effective as of the date mutually executed by the parties names herein. This Agreement expires on June 30, 2015.

The parties mutually agree as follows:

1. **Term of Contract.** The parties may agree to extend or renew this contract for an additional three (3) years beyond the term established herein. However, either party shall have the right to propose a new or modified "Scope of Work" (Attachment A) for the new contract term, as well as negotiate the current contracting fee established by PESG at the time of extension request. Each renewal or extension of this contract must occur ninety (90) days prior to the expiration of the current term of this Agreement, or this Agreement will terminate between the parties, unless mutually extended by the parties in writing.

CUSTOMER or PESG shall have the right to terminate this contract prior to the expiration of the term hereof for any reason (or no reason) upon ninety (90) days prior written notice to the other. CUSTOMER or PESG shall have the right to terminate at any time for just cause.

2. **Scope of Work.** PESG shall provide to CUSTOMER those services set forth in this Agreement as well as the defined responsibilities outlined in the "Scope of Work" (Attachment A). Attachment A defines the specific work responsibilities of the parties. Both PESG and CUSTOMER reserve the right to propose changes in Attachment A. If mutually agreed upon, an amendment to change Attachment A (which may be in the form of a new, numerically superseding Attachment A) will be signed by authorized representatives of the parties.
3. **Exclusive Contract.** CUSTOMER hereby grants to PESG an exclusive contract for the services to be rendered under this Agreement and Attachment A. CUSTOMER shall not employ or retain any other company or competitor of PESG to perform the same or similar services (within substitute classes contracted with PESG) to be rendered under this Agreement while this Agreement is in effect, except that CUSTOMER may employ substitutes for "long term assignments," that CUSTOMER would like to hire as a full time teacher or in another capacity within the District.

PESG recognizes the potential CUSTOMER need to directly employ or contract specialized substitute teachers as outlined by the Michigan Office of Retirement Services definition of "Core Services" for newly retired, certified teachers as of July 1st 2010. PESG waives exclusivity for such newly retired, certified teachers only.

To enable CUSTOMER to comply with its reporting obligations under the Michigan Public School Employees Retirement Act, 1980 PA 300, as amended, PESG shall, if necessary:

- a. Provide CUSTOMER in writing with the identity of any individual employed by PESG that is known to have become a retiree on or after July 1, 2010 from the Michigan Public School Employees Retirement System (MPERS) and for which PESG is informed by CUSTOMER will be assigned by CUSTOMER to perform services in a position classification designated by the Office of Retirement Services (ORS) under PA-75 as a 'Core Services' position classification, and;
- b. Provide information on a pay period basis regarding any such individual's wages or earnings under this Agreement, as is specifically necessary for CUSTOMER to report to MPERS or ORS on a schedule and in such manner as may be determined from time to time by MPERS or ORS and for which CUSTOMER is legally required to report.

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4. **PESG Payments to its Employees.** The parties understand that all contracted employees of PESG who are assigned to CUSTOMER are "at-will" employees of PESG, subject to the direction and control of PESG at all times. PESG shall pay, and CUSTOMER shall not be liable for, all salaries, wages, legally mandated benefits, payroll and other taxes to or on account of each such employee arising out of or resulting from services performed pursuant to this Agreement and Attachment A. The PESG employee shall not receive any compensation, benefits, or other amenities in any form from CUSTOMER, including, but not limited to, mileage and conference fees. CUSTOMER agrees not to make any payments to a PESG employee during the term of this Agreement without the prior written consent of PESG, unless it is for a long-term assignment or in another capacity for CUSTOMER as set forth in Section #3 of this Agreement. Special expenses separate of salaries and wages, when valid, necessary, specified and pre-approved by CUSTOMER may be billed to CUSTOMER by PESG.

5. **Payment and Fees.**

Invoicing/Payment of Fees: PESG shall submit contracting service invoices to CUSTOMER on a bi-weekly basis, providing both "excel" and "pdf" District level detailed invoicing. CUSTOMER shall pay the invoice amount due in accordance with the "Payroll/Billing Responsibility Timeline" (Attachment B). If CUSTOMER fails to make payment against PESG invoice or make other, acceptable payment arrangements, PESG reserves the right to suspend services until such arrangements are made with PESG.

PESG Contracting Fee: PESG shall charge an administrative fee of 15.75% of the total contracted earned payroll during the initial term of this Agreement, based upon Attachment A. "Contracted Earned Payroll" is defined as any gross wage (daily wage earned) paid to a contracted employee reported through the scheduling system and approved on an absence-by-absence basis at the District/building level via absence reconciliation. This definition also includes any gross wage that is approved and reported by CUSTOMER that is considered to be an adjustment or addition to the wage that was not approved and automatically reported through the scheduling system.

On-time Payment of Fees: CUSTOMER shall pay the Hourly Staff invoice amount per Attachment B and Salaried Personnel as outlined herein. If CUSTOMER fails to make payment against PESG invoice or make other, acceptable payment arrangements, PESG reserves the right to immediately suspend services until payment or acceptable arrangements are made with PESG.

ACH Provision: By agreeing to allow PESG to ACH CUSTOMER account for the payroll period invoice amount in accordance with Attachment B, no Contracted Payroll Deposit is required from CUSTOMER.

Financial Watch: If CUSTOMER is placed on a financial watch list by the State of Michigan, PESG may require a Standby Letter of Credit equal to 10% of annual payroll contract amount, or a 10% deposit to cover the potential liability at risk for unfunded payroll.

6. **Escalation Provision:** PESG shall have the right to increase the administrative fee annually at the start of the second and third contract years of this Agreement to adjust for increased costs, including but not limited to, escalated economic conditions. However, the administrative fee will not increase by more than 2.50% (of contracting rate) on an annual basis.

Example:	2012-13 fiscal school year:	15.75%
	2013-14 fiscal school year:	15.75% to 16.14%
	2014-15 fiscal school year:	16.14% to 16.55%

Higher Risk Classes: Certain segments or classifications of contracted staff have a worker's compensation premium surcharge and/or liability risk depending on the level of exposure involved with the contracted position. PESG will review each contracted position presented.

Tax Rate Changes and Legislated Employer Costs: PESG shall have the right to adjust the administrative fee in excess of the above fee limitation in the event there is a change in any Federal employment related tax or increase of any employment related tax from any State or local governmental entity. The administrative fee shall

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only be changed by that exact percentage necessary to cover and reimburse PESG for the change in tax that has incurred. This change may only be applied at the point which the tax or rate change will take effect, or as soon as deemed prudent or necessary by PESG. Furthermore, PESG shall have the right to charge CUSTOMER the direct cost for any legislatively mandated school employee background checks, testing, fringe benefits, and additional training that may be required of a contracted employee after their initial employment with PESG. PESG shall not charge for any other costs without first providing CUSTOMER's with written Notice and explanation.

7. **Permits, Laws and Regulations.** PESG shall obtain and pay for all necessary business permits. PESG and Customer shall comply with all applicable laws and regulations in qualifying for and performing Attachment A including, without limitation, the Fair Labor Standards Act (FLSA), Family Medical Leave Act (FMLA), Fair Credit Reporting Act, the Michigan Payment of Wages and Fringe Benefits Act, the Michigan Revised School Code and all applicable Federal and State anti-discrimination laws. CUSTOMER shall obtain and maintain positional permits, licensing, and fulfill any Federal, State and local training requirements for each contracted staff member mandated for the position assigned.
8. **Warranty.** PESG warrants that the services provided hereunder shall conform to the standards of care and practice appropriate for employers in managing staff while under contract. CUSTOMER will verify that the candidate entrusted to PESG for contracting has passed the specific prerequisites as determined by CUSTOMER beforehand for the purposes of employment, competence, capability, and the ability to perform the specific staff assignment to which the employee is being assigned.

If CUSTOMER chooses to utilize an individual in a capacity for which the individual is not approved by PESG, CUSTOMER automatically accepts liability for that individual and responsibility for compensating that individual. PESG does not accept liability for the individual or responsibility for compensating the individual nor will PESG warrant the services provided by that individual.

9. **Insurance.** PESG shall maintain in effect at all times during the term of this Agreement, with insurers licensed to do business in the State of Michigan, and shall upon request, furnish satisfactory evidence to the other party of the following insurance coverage:
 - a. Commercial General Liability Insurance on an "occurrence" basis with limits of liability not less than one million dollars (\$1,000,000) per occurrence and/or aggregate combined single limit, for personal injury, bodily injury and property damage liability.
 - b. Workers' Compensation Insurance including Employers Liability coverage, in accordance with all applicable statutes of the State of Michigan.
 - c. Cancellation Notice: Commercial General Liability and Worker's Compensation insurance as described above shall include an endorsement stating the following: "It is understood and agreed that thirty (30) days advance written notice of cancellation, non-renewal, reduction and/or material change shall be sent to CUSTOMER."
 - d. One Million Dollars (\$1,000,000) of motor vehicle liability insurance for contract-based occurrences of which the PESG employee and/or all other relevant party's automotive liability insurances have been subrogated and exhausted to the extent of Michigan Insurance Law. PESG does not provide a motor vehicle to its contracted employees. If a CUSTOMER vehicle is utilized by a PESG employee, CUSTOMER insurance is primary. The assigned PESG employee's personal auto insurance will be secondary. Motor vehicle travel to, from, and between assignments is the PESG employee's responsibility and PESG does not have liability in these circumstances.

CUSTOMER shall maintain the following insurance during the term of this Agreement:

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- e. Motor Vehicle Liability Insurance in the minimum amount of one million dollars (\$1,000,000) combined single limit.
- f. Comprehensive General Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit that will cover any and all losses to CUSTOMER's property, property of others, or personal injuries caused by acts or omissions of PESG's employees and all injuries caused by products or services produced by CUSTOMER.

10. Mutual Indemnification. PESG agrees to indemnify and hold CUSTOMER, its Board of Education, Officers, and employees harmless from and against all liabilities, damages, losses, actions or cause of action, cost, and expense (including attorney fees) whether relating to property of CUSTOMER or any third party, or to personal injury or death, arising out of or in any way attributable to the acts or failure to act of PESG or its officers, agents, and employees

To the extent of what Michigan Law allows, CUSTOMER agrees to indemnify and hold PESG, its Officers, agents, and employees, harmless from and against all liabilities, damages, losses, actions or cause of action, cost, and expense (including attorney fees) whether relating to property of PESG or any third party, or to personal injury or death, arising out of or in any way attributable to the acts or failure to act of CUSTOMER, or its officers, agents, and employees.

11. Compliance with School Safety Initiative. PESG agrees to certify that all contracted staff have passed any criminal and other background checks (including results for candidates that have been submitted to the State of Michigan awaiting print results), including fingerprinting, to CUSTOMER's satisfaction and State/Federal Laws prior to recommendation for employment by PESG. CUSTOMER will authorize PESG to receive fingerprint information from CUSTOMER via the Non-Criminal Justice Agency User Agreement for Release of Criminal History Record Information (Attachment F).

PESG agrees to furnish and abide by PA189 Unprofessional Disclosure Requirements and submit any third party disclosure to CUSTOMER for consideration. PESG will submit to the State of Michigan a report of any contracted staff member arraigned based on the State of Michigan Three Day Arraignment Disclosure Requirement.

12. Professional Development. PESG shall provide professional development training modules for its contracted employees, such as Bloodborne Pathogens, Hazardous Materials, Food Allergies/Epi-Pen, Sexual Harassment, FERPA, and a Guide to Substitute Teaching. PESG will certify the completion of these modules for any newly hired employees (not previously employed by CUSTOMER) prior to assigning employee to CUSTOMER.

CUSTOMER shall provide (or arrange with the local Constituent Districts to provide) PESG's employee, at the building level, with written safety procedures for assigned work areas, including, but not limited to, tornado/fire/lockdown/power failure procedures, evacuation routes, hazardous materials, and other building based procedures. Further, CUSTOMER shall provide each PESG employee with, keys, entry etc. for the assigned position based upon CUSTOMER's policies.

13. Place of Work. CUSTOMER shall provide a physical space, use of desk, and incidental office support for performance of any duties which CUSTOMER requires to be performed on site.

14. Freedom of Information Act (FOIA): PESG acknowledges that CUSTOMER is a public entity covered by FOIA and that certain documents in its possession may be subject to disclosure. PESG, if it believes that documents requested pursuant to FOIA are "Proprietary Information" under this Agreement, shall hold CUSTOMER harmless for the cost of defense and any damages assessed, including fees, if PESG does not authorize the release of such documents. If CUSTOMER receives a subpoena or FOIA request for information regarding a PESG employee, PESG should be notified immediately so that the proper documents can be provided and confidential information is not released.

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15. **Intellectual property and Proprietary Information:** *(This section does not apply to work performed by a contracted staff member for CUSTOMER).* All drawings, writings, processes, inventions, or any other materials, ideas or methods produced or developed solely by PESG either prior to this Agreement, or in the course of performing work for CUSTOMER under this Agreement shall be owned by PESG as proprietary information (hereinafter "Proprietary Information"). CUSTOMER agrees that it and its employees, agents, successors or assigns will execute any document or Agreement necessary to protect these property rights without delay or cost to PESG. CUSTOMER will not disclose any Proprietary Information to a third party at any time without the prior written consent of PESG, and will use it only during the course of this Agreement, and not thereafter. Upon the termination of this Agreement, CUSTOMER agrees to redeliver to PESG all reasonable Proprietary Information in its possession.
- Proprietary Information shall include all confidential information disclosed to CUSTOMER by PESG whether directly or indirectly, and all proprietary information concerning PESG which is disclosed or developed in connection with or during the course of work hereunder, except: (a) information which at the time of disclosure is the public domain, or (b) information which enters the public domain after disclosure except by CUSTOMER or by breach of this Agreement.
16. **Independent Contractor.** The parties hereto agree that PESG shall be an independent contractor in the performance of this Agreement and shall not act as agent or representative of CUSTOMER in any capacity.
17. **CUSTOMER Contact.** For the purposes of this Agreement, the CUSTOMER will designate via the "Customer Contact Form" (Attachment C), an individual as CUSTOMER Contact for PESG. The duties of the CUSTOMER Contact are as follows:
- Submission of appropriate information.
 - Active correspondence with PESG staff.
18. **Applicable Rates.** CUSTOMER will recommend at the start of each school year any changes or updates to the positional wage rates for requested substitute classes. These rates are disclosed and signed off on the "Customer Contact Form" (Attachment C). Furthermore, mid-school year adjustments may be made at any time if circumstances at CUSTOMER require such change and agreed upon in writing by PESG. Notification will be in writing by CUSTOMER to PESG via Attachment C.
19. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.
20. **Headings.** The headings in this Agreement are for convenience or reference only and are not to be used to interpret the terms of the document.
21. **Severability.** Should any portion of the Agreement be found invalid by a court of competent jurisdiction, the remainder of the Agreement shall continue in full force and effect.
22. **Civil Rights.** PESG will comply with all State/Federal employment regulations and civil rights as mandated by law.
23. **Entire Agreement.** This Agreement and Attachment A constitute the entire Agreement between the parties regarding its subject matter and supersede any prior Agreements or understandings. No amendments, changes or modifications shall be valid unless in writing and signed by authorized representatives of both parties.

Signature Page to Follow

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24. **Acknowledgment of Critical Contract Terms.** Please read carefully and initial next to each of the following items:

- _____ PESG employees are not employees of the school district; they are employees of PESG placed in the district for a specific job.
- _____ CUSTOMER personnel are not permitted to terminate PESG employees. All formal disciplinary action must come directly from PESG via a CUSTOMER-initiated Corrective Action form.
- _____ CUSTOMER shall pay the invoice amount due in advance of the payroll pay date via an ACH Debit initiated by PESG.

25. **Signatures.** IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Agreement by the signatures of their authorized representatives on the date set forth above.

3-Party Agreement by and among PESG, CUSTOMER (Consortium Leader), and CUSTOMER (District)

CUSTOMER (Consortium Leader):

Date: _____

Name: _____

Its: _____

PESG, LLC:

Date: _____

Name: _____

Its: _____

PESG Representative: _____

**Send Contract
Copy to:**

Business Official Name:	
Business Official Title:	
Address:	
Telephone:	
Fax No.:	
Email:	

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Participating Constituent District Signature Page

Acknowledgment of Critical Contract Terms. Please read carefully and initial next to each of the following items:

- _____ PESG employees are not employees of the school district; they are employees of PESG placed in the district for a specific job.
- _____ CUSTOMER personnel are not permitted to terminate PESG employees. All formal disciplinary action must come directly from PESG via a CUSTOMER-initiated Corrective Action form.
- _____ CUSTOMER shall pay the invoice amount due in advance of the payroll pay date via an ACH Debit initiated by PESG.

Signatures: In witness whereof, and intending to be legally bound hereby, the parties acknowledge and have executed this Agreement and "Scope of Work" (as CUSTOMER) by the signatures of the authorized District representatives on the date set forth below.

CUSTOMER (District):

Date: _____

Name: _____

Its: _____

PESG, LLC:

Date: _____

Name: _____

Its: _____


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PESG Representative: _____

**Send Contract
Copy to:**

Business Official Name:	
Business Official Title:	
Address:	
Telephone:	
Fax No.:	
Email:	

Scope of Work

This “Scope of Work” is dated _____, 20__ and is referred to in an Agreement between the parties dated _____, 20__. This Scope of Work set forth the mutual responsibilities of the parties as follows:

PESG Responsibilities

PESG Employee Group Hiring Responsibilities

1. Coordinate and provide materials (see sample Employee Packet) to be combined with CUSTOMER announcement letter to introduce PESG and the online applicant process.
2. PESG Support Teams provided at a CUSTOMER location for initial group meetings and new employee orientation as well as ongoing applicant and new employee orientation meeting needs scheduled through the remainder of the school year.
3. Advertise, recruit, and screen as required to increase substitute pool.
4. Communicate and offer available voluntary benefits and retirement products.
5. Coordinate applicant information needed from the CUSTOMERS through the ISD.
6. Hire certified or permitted employees for electronic placement.

PESG Ongoing Employee Handling Responsibilities

1. Process all contracted employee assignment information reported through CUSTOMER.
2. Invoice and capture reported contracted fees through CUSTOMER as outlined in Attachment B.
3. Process (AESOP) uploads for approved substitutes by substitute class.
4. Receive, process, and hire newly eligible employees during non-scheduled open application periods.
5. Offer, process, and monitor Global Compliance Network training for incoming substitute candidates.
6. Maintain PESG substitute employee personnel files based on Federal and State guidelines.
7. Manage employment payroll related inquiries, adjustments, changes, needed discipline and termination reporting and processing.
8. Act on substitute Corrective Action Reports for needed discipline, removal, or termination.
9. Maintain and Administer voluntary employee benefits and retirement programs.
10. Host Web information on www.subpass.com for all CUSTOMER substitute information.
11. Collect, audit, and manage substitute certification and required permit documentation, as well as deactivating each substitute employee from all CUSTOMERS if they have a “Rescinded” permit and/or unpaid fees from previous school years. (Rescinded permit information to be provided to PESG by the CUSTOMER.)
12. Comply with all applicable statutes of the State of Michigan and any other legally required criminal background checks for PESG employees.
13. Upload the substitute information in AESOP.
14. Per the PESG reports website at reports.contracts subs.com, each CUSTOMER shall have access to all substitute information that can be legally shared including name, address, telephone number, email address, etc. Registry of Educational Personnel (REP) reports may be pulled by the CUSTOMER/ISD at any time in either Excel or Comma-Delimited format through the PESG reports website.
15. PESG shall provide fingerprint/criminal history checks of each of its employees that have been assigned to any work for the CUSTOMER on a regular and ongoing basis.
16. PESG shall submit required documentation for issuance and/or renewal of substitute teaching permits.

PESG Corporate Responsibilities

1. Process all payroll and payroll tax liability and payments.
2. Process employer-liability Unemployment and Worker’s Compensation claims.
3. Maintain appropriate Business Licenses, Commercial General Liability Insurance, Fiduciary Bonding, Employee/Employer EPLI and Worker’s Compensation Insurance.
4. Manage the substitute employee pool as Employer of Record.



ISD Responsibilities

In the absence of an ISD/RESA/ESA Partnership or a Consortium of CUSTOMER [District] coordinated effort, then the "ISD Responsibilities" become the "CUSTOMER'S [District's] Responsibilities."

1. Facilitate implementation meetings for group communications and PESG training as necessary (MSBO, etc.).
2. Complete Attachment C and forward to PESG.
3. Collect participating CUSTOMER substitute census reports (in Excel, by sub class) and forward to PESG.
4. Apply for Substitute Permits for participating CUSTOMERS based on new incoming subs as supplied by the PESG reports website.
5. Host onsite PESG Applicant Meetings on an ongoing basis for PESG support teams.
6. Establish an ongoing Substitute Walk-in Procedure for inquiring substitutes (Business Card).
7. Distribute and follow-up receipt of the following PESG supplied forms to participating CUSTOMERS: PA 189, CHBC Results, Substitute Recognition and Corrective Action Reports when information surfaces.
8. Foster an ongoing environment of consortium and consolidated services within the Spirit of the Contract.
9. On time payment of contracted services as outlined in Attachment B.

CUSTOMER [District] Responsibilities

1. Complete Attachment C and forward to PESG.
2. Identify and assign a liaison to complete the Corrective Action, Recognition, Injury, Workers Compensation and Payroll Adjustment Reports.
3. Audit weekly/biweekly dispatch of payroll reports and report adjustments at reports.contractsubs.com.
4. Identify classes of substitutes and suggest appropriate pay schedules.
5. Supply specific worksite policies and procedures, i.e., building lockdown, fire, tornado, etc.
6. Pay contracted service invoice as outlined by in Attachment B.
7. Implement and manage the AESOP System. Promptly notify PESG of changes to skill and pay codes.
8. Upload and manage all teacher information and employee settings in AESOP.
9. Accurately reconcile AESOP absence information weekly and submit per Attachment B.
10. Promptly notify PESG of any increase or decrease the assigned Substitute Pay Codes in AESOP when a substitute achieves a higher pay scale for long-term assignments or engages a different classification of substituting.
11. Accurately assign long-term substitutes.

CUSTOMER Signature:

Date:

PESG Signature:

Date:

 6/20/2012

 Legal Counsel
 Approved as to Form



Payroll/Billing Responsibility Timeline

The following timeline is a guide to payroll calculation, invoicing and collection once a PESG employee has worked within the two week pre-determined pay period. "Monday" represents the first Monday following the two week working period assigned to the customer.

Note: Reference to AESOP does not apply if payroll for personnel are scheduled independent of using the Aesop system.

Monday

CUSTOMER Action: On the Monday following the pay period, all absence data is audited and reconciled in the Aesop system. Reconciliation involves verifying the PESG employee worked the shift recorded in Aesop, the correct pay code was assigned and the absence "reconciled" to assure the information is accurate for payroll and billing calculations. Reconciliations must be completed by 11:59 PM. Non-Aesop CUSTOMERS must submit the PESG approved Manual Spreadsheet by 11:59 PM.

ISD Action: None.

PESG Action: None.

Tuesday

CUSTOMER Action: Payroll adjustments must be submitted to PESG at reports.contracts.ubs.com. Payroll adjustments submitted by 11:59 PM will be processed within this payroll cycle.

ISD Action: None.

PESG Action: At 2:00 AM, Aesop forwards a file extract of all payroll information from CUSTOMER. PESG processes payroll.

Wednesday

CUSTOMER Action: None.

ISD Action: None.

PESG Action: PESG processes payroll and begins sending Master Invoice and billing information.

Thursday

CUSTOMER Action: None.

ISD Action: ISD forwards invoice(s) and billing information to CUSTOMER via e-mail.

PESG Action: PESG completes processing payroll and sending Master Invoice and billing information by 12:00 Noon.

Friday

CUSTOMER Action: CUSTOMER receives a copy of their invoice from the ISD by e-mail and reviews for accuracy. CUSTOMER funds their banking account. Invoice discrepancies are corrected in the next payroll and billing cycle.

ISD Action: ISD initiates ACH transaction from CUSTOMER by 4:00 PM equal to the billing amount for that pay period.

PESG Action: None.

Monday (following week)

CUSTOMER Action: None. (The transaction from the ISD hits the CUSTOMER account. Funds leave CUSTOMER account)

ISD Action: None.

PESG Action: PESG initiates ACH transaction from ISD by 3:00 PM equal to the billing amount for that pay period. PESG sends a payroll extract to Payroll Company. Payroll Company then initiates an ACH from PESG the same day for the entire payroll and taxation.

Tuesday (following week)

CUSTOMER Action: None.

ISD Action: None. (The transaction from PESG hits ISD account. Funds leave the ISD account)

PESG Action: None. (ISD funds enter the PESG account. PESG is fully funded for the Master Invoice amount. Payroll Company ACH hits PESG account and ISD funds immediately leave to Payroll company account.)

Wednesday (following week)

CUSTOMER Action: None.

ISD Action: None.

PESG Action: PESG employees are paid with effective Wednesday pay date.



Customer Contact Form

CUSTOMER: _____

Contact Information:

1. **Human Resource Director:** Contact for major disciplinary/termination documentation and communication.
2. **Finance Director:** Contact person responsible for audit.
3. **Accounts Payable:** Contact person for budget, accounting, invoice and payment processing of PESG services or payroll related questions.
4. **District Aesop Coordinator/Navigator:** Contact person who is responsible for Aesop setup, if applicable.
5. **Customer REP (Registry of Educational Personnel):** Contact person who has the day-to-day task of reporting REP Data.

Checked box below denotes Primary CUSTOMER Contact Person

Contact Information	Name/Telephone	Mailing Address	Email Address
<input type="checkbox"/> HR Director			
<input type="checkbox"/> Finance Director			
<input type="checkbox"/> Accounts Payable			
<input type="checkbox"/> Payroll/Aesop/PESG			
<input type="checkbox"/> Customer REP			
<input type="checkbox"/> Other Important Contact			

Sub Classifications & pay rates (including stair-step rates)

- ✓ Identify which classes of substitutes (teacher subs, Parapro's, aide, kitchen, janitorial, etc.) to be employed by PESG.
- ✓ Identify any stair-step pay rates and number of days for each pay rate.
- ✓ Identify any hourly or daily rates for any other classes of employees that PESG is managing (e.g. Parapro's or aids).

Note: It is the Customer's responsibility to re-classify the substitute teacher in the AESOP System for secondary and tertiary pay rates, as well as re-establishment of primary rates.

Classification	Daily Rate	Half-Day Rate	Hourly Rate	Stair Step Rates After "x" days (explain below)
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____



ACH Authorization Form

In accordance with the PESG – CUSTOMER contract, PESG requires the following Authorization Agreement for Preauthorized Debits. EFT transactions are initiated by PESG based on Attachment B ("Payroll and Billing Week Timeline") of the CUSTOMER contract with PESG and will normally post to the CUSTOMER designated account on the next business day.

AUTHORIZATION AGREEMENT FOR PREAUTHORIZED DEBITS	
CUSTOMER Name: _____	
I (we) hereby authorize Professional Educational Services Group, LLC, hereinafter called PESG to initiate debit entries to our Business Checking Account indicated below at the depository financial institution named below, hereafter called DEPOSITORY, and to credit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.	
Depository Name: _____	Branch: _____
City: _____	State: _____ Zip: _____
Routing Number: _____	Account Number: _____
This authorization is to remain in full force and effect until PESG has received written notification from CUSTOMER of its termination in such manner as to afford PESG and DEPOSITORY a reasonable opportunity to act on it, based on the terms of the CUSTOMER contract with PESG.	
Names: _____ <small>(Please Print)</small>	
Date: _____	Signature: _____
NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS <u>MUST</u> PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.	

Please attach a voided business check to this form below.

(VOIDED CHECK)

 6/20/2012

Legal Counsel

Approved as to Form



**Non-Criminal Justice Agency User Agreement for Release of Criminal History
Record Information**

between

Professional Educational Services Group (PESG LLC)

This agency hereinafter shall be known as "PESG" and:

Agency Name		
Address		
City	State	ZIP Code
Contact Name		
Telephone		
Email		
Fax		

This agency hereinafter shall be known as "User"

I. Purpose

This User Agreement is used to provide criminal history record information (CHRI) to employers, licensing agencies, and other agencies needing fingerprint-based criminal background checks.

PESG may receive criminal history record information from the department of state police for the purpose of conducting employment background checks on behalf of User as required by state law. CHRI received by PESG for such purposes is to be maintained and processed in accordance with the federal Security and Management Control Outsourcing Standard for Non-Channelers, wherein User would be the "Authorized Recipient" and PESG would be the "Contractor."

Fingerprint-based criminal background checks must be explicitly mandated or allowed by law. National background checks must be authorized by federal law or a state statute approved by the U.S. Attorney General/ The applying User is seeking background checks for:

Description of background check purpose (if employment or licensing, description of job and customer/clients served)
--

Substitute Contracting Agreement – Attachment F

Form Revision Date: May 1, 2012

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If school: grades included:	If private security, detective, or burglar alarm company, LARA #:
Law requiring/allowing background checks, if known:	

II. The Parties Agree As Follows

PESG will:

1. Provide criminal history record information (CHRI) in response to fingerprint-based background checks, either to the User or to the appropriate agency that reviews criminal histories for the User.
2. Provide assistance to the User in interpreting CHRI.
3. Work to ensure the completeness and accuracy of the CHRI.
4. Conduct audits to assure compliance with this Agreement.
5. Cease providing information to the User if this Agreement is violated or if the User is suspected of violating this Agreement.

The User will:

1. Abide by the terms and conditions identified in this Agreement.
2. Comply with state and federal laws, rules, procedures, and policies, including those adopted by the state Criminal Justice Information Systems (CJIS) Board and national CJIC Policy Council regarding the use and dissemination of CHRI.
3. Use CHRI only for the purpose requested.
4. Provide for the security of any criminal history record information received. This includes, but is not limited to:
 - a. Designate a Local Agency Security Officer who is responsible for ensuring compliance with security procedures and this User Agreement.
 - b. Ensure that all personnel with access to criminal history information are aware of rules and responsibilities with regard to CHRI.
 - c. Restrict access to physical or electronic copies of CHRI to authorized personnel. Physical copies shall be maintained in a controlled, secure environment such as a locked cabinet in a room not accessible to all staff and visitors. Electronic copies shall be protected with at least 128-bit encryption. The relevant federal encryption standard is FIPS 140-2.
 - d. Share CHRI only when explicitly allowed by law and log and CHRI sharing (either sending or receiving). Logs shall include, at a minimum, the date, sending and receiving agencies, record shared, statutory authority to share CHRI, means of transmission, and person who disseminated.

- e. Track and report information security incidents such as the theft/loss of physical records or the penetration of electronic systems.
 - f. Dispose of records securely. Physical media should be cross-shredded at a minimum, and electronic records should be deleted and repeatedly over-written with random 0's and 1's.
5. Understand that this data is based on CHRI received at the state repository. If a person could be adversely affected by this data, the person must be given the opportunity to challenge and correct a record before it is disseminated.
 6. Retain audit records for at least 365 days. Once the minimum retention time period has passed, the agency shall continue to retain audit records until they are no longer needed for administrative, legal, audit, or other operational purposes such as Freedom of Information Act requests or legal actions.
 7. Allow PESG to conduct audits to assure compliance with this Agreement.

III. Criminal History Record Information Limitations

The user understands the Criminal History Record Information (CHRI) has the following limitations:

1. CHRI is defined and has three parts as follows:
 - a. The arresting agency's name and crime class under which the person was arrested. The arrest data submitted includes the mandatory field of name, race, sex, and date of birth. All arrests are accompanied by fingerprints.
 - b. The charge(s) issued by the prosecutor.
 - c. The name of the court that tried the case and the ultimate disposition of the case.

The arrest warrant file, sex offender file, or other databases maintained by PESG are not part of the CHR record search.

2. CHRI is compiled from information submitted to PESG from law enforcement agencies, prosecutors, and courts (hereinafter referred to as contributing agencies). Although PESG makes reasonable efforts to ensure all information is submitted as required by law, it is not responsible for omissions from contributing agencies.
3. Although the Michigan Department of State Police encourages the reporting of all felonies, misdemeanors and arrest under local ordinances that substantially correspond to State law, law enforcement agencies are only required to report felonies and misdemeanors whose penalty can exceed 92 days confinement.
4. Before releasing information on individuals or taking adverse action against an individual listed on the CHR, the person in question must be afforded the opportunity to dispute and correct the record.
5. CHRI is constantly being updated as new arrests and other information are entered into the system by contributing agencies. The record released is only valid as of the date the record check was performed.
6. Certain statutes allow for the suppression or deletion of records, and this information is not provided.

Substitute Contracting Agreement – Attachment F

Form Revision Date: May 1, 2012

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7. PESG retains records for the State of Michigan only. Most fingerprinting reasons include a check through the Federal Bureau of Investigation, which PESG will request on the User's behalf as a normal part of the criminal background check, if allowed by law.

This Agreement commences on the date the last signature is obtained below and continues until terminated by either party. This Agreement may be terminated by one or both parties upon 14-days written notice or immediately upon violation of the terms of this Agreement.

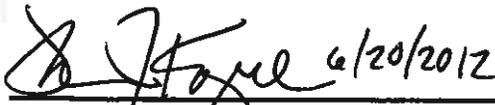
School District / ISD

Signature of Representative:	
Print Name:	Date:

PESG

Signature from Authorized Representative:	
Print Name:	Date:

Submit completed Attachment with your Agreement.

 6/20/2012

Legal Counsel
Approved as to Form

Resolution 2012-24

B



THIS AGREEMENT is between _____ (hereinafter referred to as "CUSTOMER") and EDUCATIONAL SERVICE SOLUTIONS, LLC, a Michigan Limited Liability Company, of Grand Rapids, Michigan (hereinafter referred to as "ESS") and becomes effective only when the following documents have been signed and delivered to COMPANY (but not prior to June 30, 2012):

1. Customer Contracting Agreement
2. Attachment A: Scope of Work
3. Attachment C: Customer Contact Form
4. Attachment D: ACH Authorization Form
5. Attachment F: Non-Criminal Justice Agency User Agreement for Release of Criminal History Record Information

This Agreement expires on June 30, 2015

1. **Term of Contract.** The parties may agree to extend or renew this contract for additional terms. However, either party shall have the right to propose a new or modified "Scope of Work" Agreement for the new contract term, as well as negotiate the current contracting fee established by ESS at the time of extension request. Each renewal or extension of this contract must occur ninety (90) days prior to the expiration of the current term of this Agreement, or this Agreement will terminate between the parties, unless mutually extended by the parties in writing.

CUSTOMER or ESS shall have the right to terminate this contract prior to the expiration of the term hereof for any reason (or no reason) upon ninety (90) days prior written notice to the other. CUSTOMER or ESS shall have the right to terminate at any time for just cause. Upon expiration or termination of the Agreement, ESS will cooperate with CUSTOMER in the orderly completion or transfer of Services and return all CUSTOMER data and information, including any work in progress.

2. **Scope of Work.** ESS shall provide to CUSTOMER those services set forth in this Agreement as well as the defined responsibilities outlined in the "Scope of Work" (Attachment A). Attachment A defines the specific work responsibilities of the parties. Both ESS and CUSTOMER reserve the right to propose changes in Attachment A. If mutually agreed upon, an amendment to change the "Scope of Work" (which may be in the form of a new, numerically superseding Attachment A) will be signed by authorized representatives of the parties.

3. **Exclusive Contract.** CUSTOMER hereby grants to ESS an exclusive contract for the services to be rendered under this Agreement and the "Scope of Work." Exclusivity is specific to classes of staff that are submitted on the "Roster of Contracted Positions". CUSTOMER shall not employ or retain any other company or competitor of ESS to perform the same or similar services to be rendered under this Agreement while this Agreement is in effect.

Exceptions to this provision are:

- a. Classifications the CUSTOMER desires *not to contract* with a third party;
- b. Classifications *currently contracted* to the CUSTOMER by another contracting entity;
- c. Classifications *ESS has declined*, or not agreed to contract to the CUSTOMER in writing;
- d. Classifications designated by the Office of Retirement Services (ORS) under PA-75 as a 'Core Services' position classification.

Customer Contracting Agreement

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To enable CUSTOMER to comply with its reporting obligations under the Michigan Public School Employees Retirement Act, 1980 PA 300, as amended, ESS shall, if necessary:

- a. Provide CUSTOMER in writing with the identity of any individual employed by ESS that is known to have become a retiree on or after July 1, 2010 from the Michigan Public School Employees Retirement System (MPERS) and for which ESS is informed by CUSTOMER will be assigned by CUSTOMER to perform services in a position classification designated by the Office of Retirement Services (ORS) under PA-75 as a 'Core Services' position classification, and;
- b. Provide information on a pay period basis regarding any such individual's wages or earnings under this Agreement, as is specifically necessary for CUSTOMER to report to MPERS or ORS on a schedule and in such manner as may be determined from time to time by MPERS or ORS and for which CUSTOMER is legally required to report.

4. **Classifications of Contracted Staffing.** This Agreement between the parties is for ESS to supply any or all of the following classifications of contracted staff, as requested by the CUSTOMER:

- a. **Salaried Personnel** (Exempt* status; newly hired and/or eligible individuals)
- b. **Non-Substitute Hourly Staff** (Seasonal employees, part-time or full time hourly personnel, etc.)

* Exempt employees are employees who, because of their positional duties and responsibilities and level of decision making authority, are exempt from overtime provisions of the Fair Labor Standards Act (FLSA). Classes of individuals that are legally considered salary non-exempt status shall be classified as Non-Substitute Hourly Staff for purposes of contracting fees, compensation schedules and reporting procedures.

5. **Staff Definition and Duration.** For the purposes of this Agreement, the term "Staff" refers to any individual(s) specifically listed on the "Roster of Contracted Positions". These individual(s) may not be dispatched to the CUSTOMER until approved for assignment by ESS (i.e. applicant has met all ESS qualification requirements and is approved by ESS for assignment) and approval by ESS is communicated to CUSTOMER in writing.

Annual Renewals and Additions: Salaried Persons CUSTOMER requests to have assigned effective on or after July 1 under this agreement must be approved in writing not later than (45) days prior (i.e. by May 16) by submitting a new "Roster of Contracted Positions". This will assure CUSTOMER is accurately invoiced, that the salaried person assigned by ESS is compensated accurately and on time, and that ESS is accurately and promptly paid. Salaried individual(s) shall not be dispatched to CUSTOMER after June 30 or beyond the term of this Agreement without a new "Roster of Contracted Positions" on file and approved by CUSTOMER and ESS. This Agreement must be in good standing or a renewed or replacement Agreement mutually approved in writing by the parties before assignments on or after July 1 shall begin. ESS will continue to pay Non-Substitute Hourly Personnel based on the bi-weekly, CUSTOMER submitted hourly spreadsheet.

6. **Contracted Staff Compensation.** ESS will pay contracted staff as specified on the "Roster of Contracted Positions". If the contracting duration is changed by the CUSTOMER for a particular contracted staff member the CUSTOMER will notify ESS in writing of the desire to remove a contracted staff and the effective date of removal. The CUSTOMER will pay ESS for any remaining unpaid compensation that has been earned by the contracted staff, yet still owed to the contracted staff member at the point of work-site removal. The sole and complete compensation (i.e. base salary or hourly rate) for the "contracted staff" is listed on the "Roster of Contracted Positions" and is the mutually agreed upon compensation for the complete contracted services and for the individual(s) named. Any other attributes of the CUSTOMER/Staff relationship is defined in the Staff Member's Job Description and Non-Compensatory Agreement.

7. **ESS Payments to its Employees.** ESS shall pay, and CUSTOMER shall not be liable for, all compensation and, if applicable, benefits, payroll and other taxes to, or on account of, its employees arising out of, or resulting from, services performed pursuant to this Agreement and the Scope of Work. The contracted employee shall not

Customer Contracting Agreement

Form Revision Date: June 22, 2012

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receive any compensation, benefits, or other amenities in any form from CUSTOMER. CUSTOMER agrees not to make any salary payments to contracted employees of ESS during the term of this Agreement.

8. **Contracted Staff Relationship.** The contracted staff provided to CUSTOMER by ESS shall be an employee of ESS during the term of this Agreement and shall be directly accountable to ESS for all services provided as a contracted staff member. The individual provided to CUSTOMER by ESS shall not be considered to be an employee of CUSTOMER for any purpose relative to the services performed as contracted staff. The parties understand that all contracted employees of ESS are "at-will" employees, subject to the direction and control of ESS at all times. ESS shall have sole responsibility and authority to hire, assign, supervise, evaluate, compensate, discipline, and terminate any personnel assigned by it to perform the Scope of Work, and shall maintain a personnel file for each such employee.
9. **Contracting Fees.** Contract fee of earned payroll: 22%. This includes ESS Limited Scope of Services and an ESS Site Manager.
10. **Reporting and Payment.** CUSTOMER shall make payment per the following terms:
 - a. **Salaried Personnel**
 - ESS-initiated ACH _____ (Customer Initials)
 1. ESS will invoice the CUSTOMER at least (30) days before the start of each calendar quarter;
 2. Invoice fees will be debited the Monday starting the pay period of the first pay date in the new calendar quarter.
 3. ESS will compensate contracted staff according to the salaried employee payroll calendar.
 - Non-ESS Initiated ACH _____ (Customer Initials)
 1. ESS will invoice the CUSTOMER at least (30) days before the start of each calendar quarter;
 2. Invoice fees will be due the Monday starting the pay period of the first pay date in the new calendar quarter;
 3. ESS will compensate contracted staff according to the salaried employee payroll calendar.
 - b. **Non-Substitute Hourly Staff:**
 1. CUSTOMER will report hours worked.
 2. ESS will invoice Customer for the reported hours worked.
 3. CUSTOMER will reconcile any differences with ESS and approve invoice for payment;
 4. ESS will initiate ACH of the CUSTOMER account for the invoiced amount.
 5. ESS will compensate contracted staff.

On-time Payment of Fees: CUSTOMER shall pay the Hourly Staff invoice and Salaried Personnel as outlined herein. If CUSTOMER fails to make payment against ESS invoice or make other, acceptable payment arrangements, ESS reserves the right to immediately suspend services until payment or acceptable arrangements are made with ESS.

ACH Provision: By agreeing to allow ESS to ACH the CUSTOMER account for the payroll period invoice amount 24-hours in advance of the payroll pay date, no Contracted Payroll Deposit is required from CUSTOMER.

Financial Assurance: Two weeks in advance of payroll, CUSTOMER will pay ESS an amount equal to the estimated payroll for one pay period.

11. **Escalation Provision.** Starting July 1, 2014 but not before, upon 90 days written notice, ESS shall have the right to increase the Base Contract Fee annually at the start of each subsequent contract year of this Agreement to adjust for increased costs, or escalated economic conditions. However, the administrative fee will not increase by more than 2.50% (of existing Base Contracting Fee) on an annual basis.

Tax Rate Changes and Legislated Employer Costs: ESS shall have the right to adjust the administrative fee in excess of the above fee limitation in the event there is a change in any Federal employment related tax or

Customer Contracting Agreement

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increase of any employment related tax from any State or local governmental entity. The administrative fee shall only be changed by that exact percentage necessary to cover and reimburse ESS for the change in tax that has incurred. This change may only be applied at the point which the tax or rate change will take effect, or as soon as deemed prudent or necessary by ESS. Furthermore, ESS shall have the right to charge CUSTOMER the direct cost for any legislatively mandated school employee background checks, testing, fringe benefits, and additional training that may be required of a contracted employee after their initial employment with ESS. Fringe benefits include any statutory employment regulations imposed by the Federal, State, or local government. ESS shall not charge for any other costs without first providing CUSTOMER's with written notice and explanation, however, this provision is not subject to the same 90 day notice requirement as escalation provision.

12. Permits, Laws, and Regulations. ESS shall obtain and pay for all necessary business permits. ESS and CUSTOMER shall comply with all applicable laws and regulations in qualifying for and performing Scope of Work including, without limitation, the Fair Labor Standards Act (FLSA), Family Medical Leave Act (FMLA), Fair Credit Reporting Act, the Michigan Payment of Wages and Fringe Benefits Act, the Michigan Revised School Code and all applicable Federal and State anti-discrimination laws. If necessary, CUSTOMER shall obtain and maintain any license or permit that is available to CUSTOMER but not to ESS.

13. Warranty. ESS warrants that the services provided hereunder shall conform to the standards of care and practice appropriate for employers in managing staff while under contract. CUSTOMER will verify that the candidate entrusted to ESS for contracting has passed the specific prerequisites as determined by CUSTOMER beforehand for the purposes of employment, competence, capability, and the ability to perform the specific staff assignment to which the employee is being assigned. ESS will respond to concerns that CUSTOMER has regarding the work performance of an ESS employee. CUSTOMER retains the right to request, via the ESS Corrective Action procedure, a reassignment of any ESS employee if his/her work performance is deemed unsatisfactory by CUSTOMER.

If CUSTOMER chooses to utilize an individual in a capacity for which the individual is not approved by ESS CUSTOMER automatically accepts liability for that individual and responsibility for compensating that individual. ESS does not accept liability for the individual or responsibility for compensating the individual nor will ESS warrant the services provided by that individual. If CUSTOMER utilizes an ESS employee in a capacity that falls outside the employee's job description without the prior approval of ESS, ESS will not warrant the services provided by the individual nor accept liability for the individual.

14. Insurance. ESS shall maintain in effect at all times during the term of this Agreement, with insurers licensed to do business in the State of Michigan, and shall upon request, furnish satisfactory evidence to the other party of the following insurance coverage:

- a. Commercial General Liability Insurance on an "occurrence" basis with limits of liability not less than one million dollars (\$1,000,000) per occurrence and/or aggregate combined single limit, for personal injury, bodily injury and property damage liability.
- b. Workers' Compensation Insurance including Employers Liability coverage, in accordance with all applicable statutes of the State of Michigan.
- c. Cancellation Notice: Commercial General Liability and Worker's Compensation insurance as described above shall include an endorsement stating the following: "It is understood and agreed that thirty (30) days advance written notice of cancellation, non-renewal, reduction and/or material change shall be sent to CUSTOMER."
- d. One Million Dollars (\$1,000,000) of motor vehicle liability insurance for contract-based occurrences of which the ESS employee and/or all other relevant party's automotive liability insurances have been subrogated and exhausted to the extent of Michigan Insurance Law. ESS does not provide a motor vehicle to its contracted employees. If a CUSTOMER vehicle is utilized by a ESS employee, CUSTOMER insurance is primary. The

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assigned ESS employee's personal auto insurance will be secondary. Motor vehicle travel to, from, and between assignments is the ESS employee's responsibility and ESS does not have liability in these circumstances.

CUSTOMER shall maintain the following insurance in effect at all times during the term of this Agreement with insurers licensed to do business in the State of Michigan:

- e. Motor Vehicle Liability Insurance in the minimum amount of one million dollars (\$1,000,000) combined single limit.
- f. Comprehensive General Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit that will cover any and all losses to CUSTOMER's property, property of others, or personal injuries caused by acts or omissions of ESS's employees and all injuries caused by products or services produced by CUSTOMER.

Fringe benefits such as health care are to be determined between ESS and CUSTOMER prior to the implementation of the contract.

15. **Mutual Indemnification.** ESS agrees to indemnify and hold CUSTOMER, its Board of Education, Officers, and employees harmless from and against all liabilities, damages, losses, actions or cause of action, cost, and expense (including attorney fees) whether relating to property of CUSTOMER or any third party, or to personal injury or death, arising out of or in any way attributable to the acts or failure to act of ESS or its officers, agents, and employees.

To the extent of what Michigan Law allows, CUSTOMER agrees to indemnify and hold ESS, its Officers, agents, and employees, harmless from and against all liabilities, damages, losses, actions or cause of action, cost, and expense (including attorney fees) whether relating to property of ESS or any third party, or to personal injury or death, arising out of or in any way attributable to the acts or failure to act of CUSTOMER, or its officers, agents, and employees.

16. **Compliance with School Safety Initiative.** ESS agrees to comply with the School Safety Initiative by verifying that all contracted staff have passed criminal history background checks (CHBC), including fingerprinting, in cooperation with the Michigan State Police and applicable State/Federal Law.

ESS agrees to abide by PA189 Unprofessional Disclosure Requirements and furnish any third party disclosure to CUSTOMER upon request. ESS will submit to the State of Michigan a report of any contracted staff member arraigned based on the State of Michigan Three Day Arraignment Disclosure Requirement.

17. **Job Duties.** CUSTOMER shall provide and supply any specialized training or instruction unique to the premises, facility or work area and District-site policies and procedures, materials, supplies, tools and incidental support needed beyond the normal scope of employment related to a contracted staff and the responsibilities thereof.
18. **Place of Work.** CUSTOMER shall provide a physical space, use of desk, and incidental office support for performance of any duties which the CUSTOMER requires to be performed on site.
19. **Freedom of Information Act (FOIA):** ESS acknowledges that CUSTOMER is a public entity covered by FOIA and that certain documents in its possession may be subject to disclosure. ESS, if it believes that documents requested pursuant to FOIA are "Proprietary Information" under this Agreement, shall hold CUSTOMER harmless for the cost of defense and any damages assessed, including fees, if ESS does not authorize the release of such documents. If CUSTOMER receives a subpoena or FOIA request for information regarding a ESS employee, ESS should be notified immediately so that the proper documents can be provided and confidential information is not released.

20. **Intellectual Property and Proprietary Information.** *(This section does not apply to work performed by a contracted staff member for CUSTOMER).* All drawings, writings, processes, inventions, or any other materials, ideas or methods produced or developed solely by ESS either prior to this Agreement, or in the course of

Customer Contracting Agreement

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performing work for CUSTOMER under this Agreement shall be owned by ESS as proprietary information (hereinafter "Proprietary Information"). CUSTOMER agrees that it and its employees, agents, successors or assigns will execute any document or Agreement necessary to protect these property rights without delay or cost to ESS. CUSTOMER will not disclose any Proprietary Information to a third party at any time without the prior written consent of ESS, and will use it only during the course of this Agreement, and not thereafter. Upon the termination of this Agreement, CUSTOMER agrees to redeliver to ESS all reasonable Proprietary Information in its possession.

Proprietary Information shall include all confidential information disclosed to CUSTOMER by ESS whether directly or indirectly, and all proprietary information concerning ESS which is disclosed or developed in connection with or during the course of work hereunder, except: (a) information which at the time of disclosure is the public domain, or (b) information which enters the public domain after disclosure except by CUSTOMER or by breach of this Agreement.

21. **Independent Contractor.** The parties hereto agree that ESS shall be an independent contractor in the performance of this Agreement and shall not act as agent or representative of CUSTOMER in any capacity.
22. **CUSTOMER Contact.** For the purposes of this Agreement, the CUSTOMER will designate on this contract and on the "Roster of Contracted Positions" an individual to act as CUSTOMER Contact for ESS. The duties of the ESS CUSTOMER Contact are: a) Submission of the "Roster of Contracted Positions", and b) Active correspondence with ESS staff.
23. **Advertising, Recruiting and Staff Recommendations.** ESS will advertise, solicit and recruit for persons specified and contracted under this agreement as required. ESS retains ultimate authority and discretion to engage or hire candidates and to assign ESS candidates subject to the CUSTOMER's specifications.
24. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.
25. **Headings.** The headings in this Agreement are for convenience or reference only and are not to be used to interpret the terms of the document.
26. **Severability.** Should any portion of the Agreement be found invalid by a court of competent jurisdiction, the remainder of the Agreement shall continue in full force and in full effect.
27. **Civil Rights.** ESS will comply with all State/Federal employment regulations and civil rights as mandated by law.
28. **Assignment.** Upon written notice, ESS may assign or subcontract the security services provided under this contract to another suitable entity.
29. **Entire Agreement.** This Agreement and the Scope of Work constitute the entire Agreement between the parties regarding its subject matter and supersede any prior Agreements or understandings. No amendments, changes or modifications shall be valid unless in writing and signed by authorized representatives of both parties.

Signature Page to Follow

Customer Contracting Agreement

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30. Acknowledgment of Critical Contract Terms. Please read carefully and initial next to each of the following items:

_____ ESS employees are not employees of the school district; they are employees of ESS placed in the district for a specific job.

_____ Customer personnel are not permitted to terminate ESS employees. All formal disciplinary action must come directly from ESS via a CUSTOMER-initiated Corrective Action form.

31. Signatures. In witness whereof, and intending to be legally bound hereby, the parties have executed this Agreement by the signatures of their authorized representatives on the date set forth above.

CUSTOMER:

Date: _____

Name: _____

Its: _____

ESS, LLC:

Date: _____

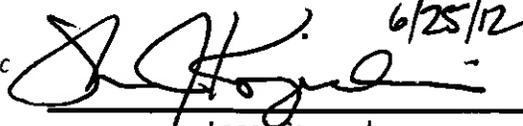
Name: _____

Its: _____

ESS Representative: _____

Send Contract
Copy to:

Business Official Name:	
Business Official Title:	
Address:	
Telephone:	
Fax No.:	
Email:	


Legal Counsel

Approved as to Form

CUSTOMER Initials _____

ESS Initials _____



Date: June 25, 2012

Customer: Security Pricing for Education Achievement Authority

Annual Rate: \$961,735.00

Positions: Security Guards \$15.00 per hour
Security Supervisor \$21.00 per hour

Includes: 33 Security Guards
1 Security Supervisor
Uniforms
Radios
6 Security Vehicles



Scope of Work

This "Scope of Work" is dated _____, 20__ and is referred to in an Agreement between the parties dated _____, 20__. This Scope of Work set forth the mutual responsibilities of the parties as follows:

ESS Responsibilities:

1. Schedule and conduct a meeting to orientate the appropriate CUSTOMER personnel, including the CUSTOMER Contact in the overall contracting process.
2. Manage the contracted staff as the employer of record.
3. Pay applicable taxes and insurance liabilities.
4. Communicate with prospective contracted staff members as to the contracting process and ESS relationship.
5. Review all ESS Applicant Packets for completeness prior to assignment by ESS.
6. Make copies of all required I-9 identification as outlined in the ESS Applicant Packet.
7. Receive and audit each applicant "PA 189 Disclosure Form."
8. Comply with the Michigan Revised School Code, all applicable statutes of the State of Michigan, and any other legally required criminal history background checks (CHBC) for ESS employees.
9. Process incoming contracted staff requests.
10. Pay contracted staff based on the predefined payroll schedule.
11. Take full responsibility for employee management.
12. Discipline and remove contracted staff if ESS's minimum levels of performance are not met.
13. Document ESS contracted staff performance and provide feedback as is appropriate.
14. Make available fingerprint/criminal history background checks (CHBC) as obtained through the Michigan State Police for each of its employees that have been assigned to any work for CUSTOMER.
15. Abide by and help facilitate expanded Services Model (Attachment B).

CUSTOMER Responsibilities:

1. Supply specific worksite policies and procedures, i.e., building lockdown, fire, tornado, etc.
2. Forward all required and/or necessary reports, records, or pertinent file information.
3. Pay contract invoices by the payment due date.
4. Notify ESS of any requested staff changed prior to implementation (i.e. any changes affecting forward payment or compensation, dates or terms).
5. Abide by and help facilitate Expanded Services Model (Attachment B).

CUSTOMER Signature:

Date:

ESS Signature:

Date:



Legal Counsel

Approved as to Form



EDUCATIONAL
SERVICE
SOLUTIONS, INC

Customer Contact Form

CUSTOMER Name: _____

Address: _____

1. Human Resource Director: Contact for major disciplinary/termination documentation and communication.

Name: _____

Phone: _____

E-Mail: _____

2. Finance Director: Person responsible for providing payment amounts.

Name: _____

Phone: _____

E-Mail: _____

If there is a different person to whom we should send invoices, please include his/her info here:

Name: _____

Phone: _____

E-Mail: _____

3. Day-to-Day Roster Contact: Person responsible for making changes to the roster and is generally available to answer questions.

Name: _____

Phone: _____

E-Mail: _____



ACH Authorization Form

In accordance to the terms outlined in the contract, ESS requires the following Authorization Agreement for Preauthorized Debits. EFT transactions are initiated by ESS in accordance Section #10 of the Agreement.

AUTHORIZATION AGREEMENT FOR PREAUTHORIZED DEBITS

Customer Name _____

CUSTOMER hereby authorizes ESS, LLC, hereinafter called COMPANY to initiate debit entries to our Business Checking Account indicated below at the depository financial institution, hereafter called DEPOSITORY and to credit the same to such account. CUSTOMER acknowledges that the origination of ACH transactions to CUSTOMER account must comply with the provisions of U.S. law.

Depository Name: _____ Branch: _____

City: _____ State: _____ Zip: _____

Routing Number: _____ Account Number: _____

This authorization is to remain in full force and effect until COMPANY has received written notification from CUSTOMER of its termination in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it, based on the terms of the Agreement.

Name: _____
(Please Print)

Date: _____ Signature: _____

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

Please attach a voided business check to this form and return to ESS.



**Non-Criminal Justice Agency User Agreement for Release of Criminal History
Record Information**

between

Educational Service Solutions, LLC

This agency hereinafter shall be known as "ESS" and:

This agency hereinafter shall be known as "User"

Agency Name		
Address		
City	State	ZIP Code
Contact Name		
Telephone		
Email		
Fax		

1. Purpose

This User Agreement is used to provide criminal history record information (CHRI) to employers, licensing agencies, and other agencies needing fingerprint-based criminal background checks.

ESS may receive criminal history record information from the department of state police for the purpose of conducting employment background checks on behalf of User as required by state law. CHRI received by ESS for such purposes is to be maintained and processed in accordance with the federal Security and Management Control Outsourcing Standard for Non-Channelers, wherein User would be the "Authorized Recipient" and ESS would be the "Contractor."

Fingerprint-based criminal background checks must be explicitly mandated or allowed by law. National background checks must be authorized by federal law or a state statute approved by the U.S. Attorney General/ The applying User is seeking background checks for:

Description of background check purpose (if employment or licensing, description of job and customer/clients served)	
If school: grades included:	If private security, detective, or burglar alarm company, LARA #:

Law requiring/allowing background checks, if known:

II. The Parties Agree As Follows

ESS will:

1. Provide criminal history record information (CHRI) in response to fingerprint-based background checks, either to the User or to the appropriate agency that reviews criminal histories for the User.
2. Provide assistance to the User in interpreting CHRI.
3. Work to ensure the completeness and accuracy of the CHRI.
4. Conduct audits to assure compliance with this Agreement.
5. Cease providing information to the User if this Agreement is violated or if the User is suspected of violating this Agreement.

The User will:

1. Abide by the terms and conditions identified in this Agreement.
2. Comply with state and federal laws, rules, procedures, and policies, including those adopted by the state Criminal Justice Information Systems (CJIS) Board and national CJIC Policy Council regarding the use and dissemination of CHRI.
3. Use CHRI only for the purpose requested.
4. Provide for the security of any criminal history record information received. This includes, but is not limited to:
 - a. Designate a Local Agency Security Officer who is responsible for ensuring compliance with security procedures and this User Agreement.
 - b. Ensure that all personnel with access to criminal history information are aware of rules and responsibilities with regard to CHRI.
 - c. Restrict access to physical or electronic copies of CHRI to authorized personnel. Physical copies shall be maintained in a controlled, secure environment such as a locked cabinet in a room not accessible to all staff and visitors. Electronic copies shall be protected with at least 128-bit encryption. The relevant federal encryption standard is FIPS 140-2.
 - d. Share CHRI only when explicitly allowed by law and log and CHRI sharing (either sending or receiving). Logs shall include, at a minimum, the date, sending and receiving agencies, record shared, statutory authority to share CHRI, means of transmission, and person who disseminated.
 - e. Track and report information security incidents such as the theft/loss of physical records or the penetration of electronic systems.

- f. Dispose of records securely. Physical media should be cross-shredded at a minimum, and electronic records should be deleted and repeatedly over-written with random 0's and 1's.
5. Understand that this data is based on CHRI received at the state repository. If a person could be adversely affected by this data, the person must be given the opportunity to challenge and correct a record before it is disseminated.
6. Retain audit records for at least 365 days. Once the minimum retention time period has passed, the agency shall continue to retain audit records until they are no longer needed for administrative, legal, audit, or other operational purposes such as Freedom of Information Act requests or legal actions.
7. Allow ESS to conduct audits to assure compliance with this Agreement.

III. Criminal History Record Information Limitations

The user understands the Criminal History Record Information (CHRI) has the following limitations:

1. CHRI is defined and has three parts as follows:
 - a. The arresting agency's name and crime class under which the person was arrested. The arrest data submitted includes the mandatory field of name, race, sex, and date of birth. All arrests are accompanied by fingerprints.
 - b. The charge(s) issued by the prosecutor.
 - c. The name of the court that tried the case and the ultimate disposition of the case.

The arrest warrant file, sex offender file, or other databases maintained by ESS are not part of the CHR record search.

2. CHRI is compiled from information submitted to ESS from law enforcement agencies, prosecutors, and courts (hereinafter referred to as contributing agencies). Although ESS makes reasonable efforts to ensure all information is submitted as required by law, it is not responsible for omissions from contributing agencies.
3. Although the Michigan Department of State Police encourages the reporting of all felonies, misdemeanors and arrest under local ordinances that substantially correspond to State law, law enforcement agencies are only required to report felonies and misdemeanors whose penalty can exceed 92 days confinement.
4. Before releasing information on individuals or taking adverse action against an individual listed on the CHR, the person in question must be afforded the opportunity to dispute and correct the record.
5. CHRI is constantly being updated as new arrests and other information are entered into the system by contributing agencies. The record released is only valid as of the date the record check was performed.
6. Certain statutes allow for the suppression or deletion of records, and this information is not provided.
7. ESS retains records for the State of Michigan only. Most fingerprinting reasons include a check through the Federal Bureau of Investigation, which ESS will request on the User's behalf as a normal part of the criminal background check, if allowed by law.

District Contracting Agreement – Attachment F

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This Agreement commences on the date the last signature is obtained below and continues until terminated by either party. This Agreement may be terminated by one or both parties upon 14-days written notice or immediately upon violation of the terms of this Agreement.

School District / ISD

Signature of Representative:	
Print Name:	Date:

ESS

Signature from Authorized Representative:	
Print Name:	Date:

Submit completed Attachment with your Agreement.

 6/25/2012

Legal Counsel

Approved as to Form

Resolution 2012-24

C

THIS AGREEMENT is between _____ (hereinafter referred to as "CUSTOMER") and EDUCATIONAL STAFFING RESOURCES, LLC, a Michigan Limited Liability Company, of Grand Rapids, Michigan (hereinafter referred to as "ESR") and becomes effective only when the following documents have been signed and delivered to COMPANY (but not prior to June 30, 2012):

1. Customer Contracting Agreement
2. Attachment A: Scope of Work
3. Attachment C: Customer Contact Form
4. Attachment D: ACH Authorization Form
5. Attachment F: Non-Criminal Justice Agency User Agreement for Release of Criminal History Record Information

This Agreement expires on June 30, 2015

1. **Term of Contract.** The parties may agree to extend or renew this contract for additional terms. However, either party shall have the right to propose a new or modified "Scope of Work" Agreement for the new contract term, as well as negotiate the current contracting fee established by ESR at the time of extension request. Each renewal or extension of this contract must occur ninety (90) days prior to the expiration of the current term of this Agreement, or this Agreement will terminate between the parties, unless mutually extended by the parties in writing.

CUSTOMER or ESR shall have the right to terminate this contract prior to the expiration of the term hereof for any reason (or no reason) upon ninety (90) days prior written notice to the other. CUSTOMER or ESR shall have the right to terminate at any time for just cause. Upon expiration or termination of the Agreement, ESR will cooperate with CUSTOMER in the orderly completion or transfer of Services and return all CUSTOMER data and information, including any work in progress.

2. **Scope of Work.** ESR shall provide to CUSTOMER those services set forth in this Agreement as well as the defined responsibilities outlined in the "Scope of Work" (Attachment A). Attachment A defines the specific work responsibilities of the parties. Both ESR and CUSTOMER reserve the right to propose changes in Attachment A. If mutually agreed upon, an amendment to change the "Scope of Work" (which may be in the form of a new, numerically superseding Attachment A) will be signed by authorized representatives of the parties.
3. **Exclusive Contract.** CUSTOMER hereby grants to ESR an exclusive contract for the services to be rendered under this Agreement and the "Scope of Work." Exclusivity is specific to classes of staff that are submitted on the "Roster of Contracted Positions". CUSTOMER shall not employ or retain any other company or competitor of ESR to perform the same or similar services to be rendered under this Agreement while this Agreement is in effect.

Exceptions to this provision are:

- a. Classifications the CUSTOMER desires *not to contract* with a third party;
- b. Classifications *currently contracted* to the CUSTOMER by another contracting entity;
- c. Classifications *ESR has declined*, or not agreed to contract to the CUSTOMER in writing;
- d. Classifications designated by the Office of Retirement Services (ORS) under PA-75 as a 'Core Services' position classification.

To enable CUSTOMER to comply with its reporting obligations under the Michigan Public School Employees Retirement Act, 1980 PA 300, as amended, ESR shall, if necessary:

- a. Provide CUSTOMER in writing with the identity of any individual employed by ESR that is known to have become a retiree on or after July 1, 2010 from the Michigan Public School Employees Retirement System

Customer Contracting Agreement

Form Revision Date: June 22, 2012

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(MPSERS) and for which ESR is informed by CUSTOMER will be assigned by CUSTOMER to perform services in a position classification designated by the Office of Retirement Services (ORS) under PA-75 as a 'Core Services' position classification, and;

b. Provide information on a pay period basis regarding any such individual's wages or earnings under this Agreement, as is specifically necessary for CUSTOMER to report to MPSERS or ORS on a schedule and in such manner as may be determined from time to time by MPSERS or ORS and for which CUSTOMER is legally required to report.

4. **Classifications of Contracted Staffing.** This Agreement between the parties is for ESR to supply any or all of the following classifications of contracted staff, as requested by the CUSTOMER:

a. **Salaried Personnel** (Exempt* status; newly hired and/or eligible individuals)

b. **Non-Substitute Hourly Staff** (Seasonal employees, part-time or full time hourly personnel, etc.)

* Exempt employees are employees who, because of their positional duties and responsibilities and level of decision making authority, are exempt from overtime provisions of the Fair Labor Standards Act (FLSA).

Classes of individuals that are legally considered salary non-exempt status shall be classified as Non-Substitute Hourly Staff for purposes of contracting fees, compensation schedules and reporting procedures.

5. **Staff Definition and Duration.** For the purposes of this Agreement, the term "Staff" refers to any individual(s) specifically listed on the "Roster of Contracted Positions". These individual(s) may not be dispatched to the CUSTOMER until approved for assignment by ESR (i.e. applicant has met all ESR qualification requirements and is approved by ESR for assignment) and approval by ESR is communicated to CUSTOMER in writing.

Annual Renewals and Additions: Salaried Persons CUSTOMER requests to have assigned effective on or after July 1 under this agreement must be approved in writing not later than (45) days prior (i.e. by May 16) by submitting a new "Roster of Contracted Positions". This will assure CUSTOMER is accurately invoiced, that the salaried person assigned by ESR is compensated accurately and on time, and that ESR is accurately and promptly paid. Salaried individual(s) shall not be dispatched to CUSTOMER after June 30 or beyond the term of this Agreement without a new "Roster of Contracted Positions" on file and approved by CUSTOMER and ESR. This Agreement must be in good standing or a renewed or replacement Agreement mutually approved in writing by the parties before assignments on or after July 1 shall begin. ESR will continue to pay Non-Substitute Hourly Personnel based on the bi-weekly, CUSTOMER submitted hourly spreadsheet.

6. **Contracted Staff Compensation.** ESR will pay contracted staff as specified on the "Roster of Contracted Positions". If the contracting duration is changed by the CUSTOMER for a particular contracted staff member the CUSTOMER will notify ESR in writing of the desire to remove a contracted staff and the effective date of removal. The CUSTOMER will pay ESR for any remaining unpaid compensation that has been earned by the contracted staff, yet still owed to the contracted staff member at the point of work-site removal. The sole and complete compensation (i.e. base salary or hourly rate) for the "contracted staff" is listed on the "Roster of Contracted Positions" and is the mutually agreed upon compensation for the complete contracted services and for the individual(s) named. Any other attributes of the CUSTOMER/Staff relationship is defined in the Staff Member's Job Description and Non-Compensatory Agreement.

7. **ESR Payments to its Employees.** ESR shall pay, and CUSTOMER shall not be liable for, all compensation and, if applicable, benefits, payroll and other taxes to, or on account of, its employees arising out of, or resulting from, services performed pursuant to this Agreement and the Scope of Work. The contracted employee shall not receive any compensation, benefits, or other amenities in any form from CUSTOMER. CUSTOMER agrees not to make any salary payments to contracted employees of ESR during the term of this Agreement.

8. **Contracted Staff Relationship.** The contracted staff provided to CUSTOMER by ESR shall be an employee of ESR during the term of this Agreement and shall be directly accountable to ESR for all services provided as a contracted staff member. The individual provided to CUSTOMER by ESR shall not be considered to be an employee of CUSTOMER for any purpose relative to the services performed as contracted staff. The parties understand that all contracted employees of ESR are "at-will" employees, subject to the direction and control of ESR at all times. ESR shall have sole responsibility and authority to hire, assign, supervise, evaluate, compensate, discipline, and terminate any personnel assigned by it to perform the Scope of Work, and shall maintain a personnel file for each such employee.

9. **Contracting Fees.** The following contracting fees are the ESR fee to be invoiced for contracted ESR Staff:

a. **Salaried Personnel:**

Exempt Status Annualized Salary:

- 11.00% Contract Fee of Annualized Earned Payroll for positions \$100,000 or more
- 12.00% Contract Fee of Annualized Earned Payroll for positions \$ 80,000 - \$99,999.99
- 13.00% Contract Fee of Annualized Earned Payroll for positions \$ 60,000 - \$79,999.99
- 14.00% Contract Fee of Annualized Earned Payroll for positions \$ 40,000 - \$59,999.99
- 16.00% Contract Fee of Annualized Earned Payroll for positions \$ 25,000 - \$39,999.99
- 18.00% Contract Fee of Annualized Earned Payroll for positions \$ 24,999.99 or less

Non-Exempt Annualized Salary:

- 17.35% Contract Fee of Annualized Earned Payroll for all positions

b. **Non-Substitute Hourly Staff:** (i.e. Hourly paid workers)

17.50% Contract Fee of Earned Payroll*

- *Exceptions: Childcare has a surplus rate of 1.23%.
- Other high-risk categories or groups may have an additional surcharge.

c. **Advertising, Recruiting, Interviewing, and Training:**

An additional 1% will apply to all fees for the first contract year due to start-up costs.

10. **Reporting and Payment.** CUSTOMER shall make payment per the following terms:

a. **Salaried Personnel**

ESR-initiated ACH _____ (Customer Initials)

- 1. ESR will invoice the CUSTOMER at least (30) days before the start of each calendar quarter;
- 2. Invoice fees will be debited the Monday starting the pay period of the first pay date in the new calendar quarter.
- 3. ESR will compensate contracted staff according to the salaried employee payroll calendar.

Non-ESR Initiated ACH _____ (Customer Initials)

- 1. ESR will invoice the CUSTOMER at least (30) days before the start of each calendar quarter;
- 2. Invoice fees will be due the Monday starting the pay period of the first pay date in the new calendar quarter;
- 3. ESR will compensate contracted staff according to the salaried employee payroll calendar.

b. **Non-Substitute Hourly Staff:**

- 1. CUSTOMER will report hours worked.
- 2. ESR will invoice Customer for the reported hours worked.
- 3. CUSTOMER will reconcile any differences with ESR and approve invoice for payment;
- 4. ESR will initiate ACH of the CUSTOMER account for the invoiced amount.
- 5. ESR will compensate contracted staff.

Customer Contracting Agreement

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On-time Payment of Fees: CUSTOMER shall pay the Hourly Staff invoice and Salaried Personnel as outlined herein. If CUSTOMER fails to make payment against ESR invoice or make other, acceptable payment arrangements, ESR reserves the right to immediately suspend services until payment or acceptable arrangements are made with ESR.

ACH Provision: By agreeing to allow ESR to ACH the CUSTOMER account for the payroll period invoice amount 24-hours in advance of the payroll pay date, no Contracted Payroll Deposit is required from CUSTOMER.

Financial Assurance: *Two weeks in advance of payroll, CUSTOMER will pay ESR an amount equal to the estimated payroll for one pay period.*

- 11. Escalation Provision.** Starting July 1, 2014 but not before, upon 90 days written notice, ESR shall have the right to increase the Base Contract Fee annually at the start of each subsequent contract year of this Agreement to adjust for increased costs, or escalated economic conditions. However, the administrative fee will not increase by more than 2.50% (of existing Base Contracting Fee) on an annual basis.

Tax Rate Changes and Legislated Employer Costs: ESR shall have the right to adjust the administrative fee in excess of the above fee limitation in the event there is a change in any Federal employment related tax or increase of any employment related tax from any State or local governmental entity. The administrative fee shall only be changed by that exact percentage necessary to cover and reimburse ESR for the change in tax that has incurred. This change may only be applied at the point which the tax or rate change will take effect, or as soon as deemed prudent or necessary by ESR. Furthermore, ESR shall have the right to charge CUSTOMER the direct cost for any legislatively mandated school employee background checks, testing, fringe benefits, and additional training that may be required of a contracted employee after their initial employment with ESR. Fringe benefits include any statutory employment regulations imposed by the Federal, State, or local government. ESR shall not charge for any other costs without first providing CUSTOMER's with written notice and explanation, however, this provision is not subject to the same 90 day notice requirement as escalation provision.

- 12. Permits, Laws, and Regulations.** ESR shall obtain and pay for all necessary business permits. ESR and CUSTOMER shall comply with all applicable laws and regulations in qualifying for and performing Scope of Work including, without limitation, the Fair Labor Standards Act (FLSA), Family Medical Leave Act (FMLA), Fair Credit Reporting Act, the Michigan Payment of Wages and Fringe Benefits Act, the Michigan Revised School Code and all applicable Federal and State anti-discrimination laws. If necessary, CUSTOMER shall obtain and maintain any license or permit that is available to CUSTOMER but not to ESR.

- 13. Warranty.** ESR warrants that the services provided hereunder shall conform to the standards of care and practice appropriate for employers in managing staff while under contract. CUSTOMER will verify that the candidate entrusted to ESR for contracting has passed the specific prerequisites as determined by CUSTOMER beforehand for the purposes of employment, competence, capability, and the ability to perform the specific staff assignment to which the employee is being assigned. ESR will respond to concerns that CUSTOMER has regarding the work performance of an ESR employee. CUSTOMER retains the right to request, via the ESR Corrective Action procedure, a reassignment of any ESR employee if his/her work performance is deemed unsatisfactory by CUSTOMER.

If CUSTOMER chooses to utilize an individual in a capacity for which the individual is not approved by ESR CUSTOMER automatically accepts liability for that individual and responsibility for compensating that individual. ESR does not accept liability for the individual or responsibility for compensating the individual nor will ESR warrant the services provided by that individual. If CUSTOMER utilizes an ESR employee in a capacity that falls outside the employee's job description without the prior approval of ESR, ESR will not warrant the services provided by the individual nor accept liability for the individual.

Customer Contracting Agreement

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14. **Insurance.** ESR shall maintain in effect at all times during the term of this Agreement, with insurers licensed to do business in the State of Michigan, and shall upon request, furnish satisfactory evidence to the other party of the following insurance coverage:
- Commercial General Liability Insurance on an "occurrence" basis with limits of liability not less than one million dollars (\$1,000,000) per occurrence and/or aggregate combined single limit, for personal injury, bodily injury and property damage liability.
 - Workers' Compensation Insurance including Employers Liability coverage, in accordance with all applicable statutes of the State of Michigan.
 - Cancellation Notice: Commercial General Liability and Worker's Compensation insurance as described above shall include an endorsement stating the following: "It is understood and agreed that thirty (30) days advance written notice of cancellation, non-renewal, reduction and/or material change shall be sent to CUSTOMER."
 - One Million Dollars (\$1,000,000) of motor vehicle liability insurance for contract-based occurrences of which the ESR employee and/or all other relevant party's automotive liability insurances have been subrogated and exhausted to the extent of Michigan Insurance Law. ESR does not provide a motor vehicle to its contracted employees. If a CUSTOMER vehicle is utilized by an ESR employee, CUSTOMER insurance is primary. The assigned ESR employee's personal auto insurance will be secondary. Motor vehicle travel to, from, and between assignments is the ESR employee's responsibility and ESR does not have liability in these circumstances.

CUSTOMER shall maintain the following insurance in effect at all times during the term of this Agreement with insurers licensed to do business in the State of Michigan:

- Motor Vehicle Liability Insurance in the minimum amount of one million dollars (\$1,000,000) combined single limit.
- Comprehensive General Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit that will cover any and all losses to CUSTOMER's property, property of others, or personal injuries caused by acts or omissions of ESR's employees and all injuries caused by products or services produced by CUSTOMER.

Fringe benefits such as health care are to be determined between ESR and CUSTOMER prior to the implementation of the contract.

15. **Mutual Indemnification.** ESR agrees to indemnify and hold CUSTOMER, its Board of Education, Officers, and employees harmless from and against all liabilities, damages, losses, actions or cause of action, cost, and expense (including attorney fees) whether relating to property of CUSTOMER or any third party, or to personal injury or death, arising out of or in any way attributable to the acts or failure to act of ESR or its officers, agents, and employees.

To the extent of what Michigan Law allows, CUSTOMER agrees to indemnify and hold ESR, its Officers, agents, and employees, harmless from and against all liabilities, damages, losses, actions or cause of action, cost, and expense (including attorney fees) whether relating to property of ESR or any third party, or to personal injury or death, arising out of or in any way attributable to the acts or failure to act of CUSTOMER, or its officers, agents, and employees.

16. **Compliance with School Safety Initiative.** ESR agrees to comply with the School Safety Initiative by verifying that all contracted staff have passed criminal history background checks (CHBC), including fingerprinting, in cooperation with the Michigan State Police and applicable State/Federal Law.

ESR agrees to abide by PA189 Unprofessional Disclosure Requirements and furnish any third party disclosure to CUSTOMER upon request. ESR will submit to the State of Michigan a report of any contracted staff member arraigned based on the State of Michigan Three Day Arraignment Disclosure Requirement.

Customer Contracting Agreement

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17. **Job Duties.** CUSTOMER shall provide and supply any specialized training or instruction unique to the premises, facility or work area and District-site policies and procedures, materials, supplies, tools and incidental support needed beyond the normal scope of employment related to a contracted staff and the responsibilities thereof.
18. **Place of Work.** CUSTOMER shall provide a physical space, use of desk, and incidental office support for performance of any duties which the CUSTOMER requires to be performed on site.
19. **Freedom of Information Act (FOIA):** ESR acknowledges that CUSTOMER is a public entity covered by FOIA and that certain documents in its possession may be subject to disclosure. ESR, if it believes that documents requested pursuant to FOIA are "Proprietary Information" under this Agreement, shall hold CUSTOMER harmless for the cost of defense and any damages assessed, including fees, if ESR does not authorize the release of such documents. If CUSTOMER receives a subpoena or FOIA request for information regarding a ESR employee, ESR should be notified immediately so that the proper documents can be provided and confidential information is not released.
20. **Intellectual Property and Proprietary Information.** *(This section does not apply to work performed by a contracted staff member for CUSTOMER).* All drawings, writings, processes, inventions, or any other materials, ideas or methods produced or developed solely by ESR either prior to this Agreement, or in the course of performing work for CUSTOMER under this Agreement shall be owned by ESR as proprietary information (hereinafter "Proprietary Information"). CUSTOMER agrees that it and its employees, agents, successors or assigns will execute any document or Agreement necessary to protect these property rights without delay or cost to ESR. CUSTOMER will not disclose any Proprietary Information to a third party at any time without the prior written consent of ESR, and will use it only during the course of this Agreement, and not thereafter. Upon the termination of this Agreement, CUSTOMER agrees to redeliver to ESR all reasonable Proprietary Information in its possession.

Proprietary Information shall include all confidential information disclosed to CUSTOMER by ESR whether directly or indirectly, and all proprietary information concerning ESR which is disclosed or developed in connection with or during the course of work hereunder, except: (a) information which at the time of disclosure is the public domain, or (b) information which enters the public domain after disclosure except by CUSTOMER or by breach of this Agreement.
21. **Independent Contractor.** The parties hereto agree that ESR shall be an independent contractor in the performance of this Agreement and shall not act as agent or representative of CUSTOMER in any capacity.
22. **CUSTOMER Contact.** For the purposes of this Agreement, the CUSTOMER will designate on this contract and on the "Roster of Contracted Positions" an individual to act as CUSTOMER Contact for ESR. The duties of the ESR CUSTOMER Contact are: a) Submission of the "Roster of Contracted Positions", and b) Active correspondence with ESR staff.
23. **Advertising, Recruiting and Staff Recommendations.** ESR will advertise, solicit and recruit for persons specified and contracted under this agreement as required. ESR retains ultimate authority and discretion to engage or hire candidates and to assign ESR candidates subject to the CUSTOMER's specifications.
24. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.
25. **Headings.** The headings in this Agreement are for convenience or reference only and are not to be used to interpret the terms of the document.
26. **Severability.** Should any portion of the Agreement be found invalid by a court of competent jurisdiction, the remainder of the Agreement shall continue in full force and in full effect.
27. **Civil Rights.** ESR will comply with all State/Federal employment regulations and civil rights as mandated by law.

Customer Contracting Agreement

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28. Entire Agreement. This Agreement and the Scope of Work constitute the entire Agreement between the parties regarding its subject matter and supersede any prior Agreements or understandings. No amendments, changes or modifications shall be valid unless in writing and signed by authorized representatives of both parties.

Signature Page to Follow

29. Acknowledgment of Critical Contract Terms. Please read carefully and initial next to each of the following items:

- ESR employees are not employees of the school district; they are employees of ESR placed in the district for a specific job.
Customer personnel are not permitted to terminate ESR employees. All formal disciplinary action must come directly from ESR via a CUSTOMER-initiated Corrective Action form.

30. Signatures. In witness whereof, and intending to be legally bound hereby, the parties have executed this Agreement by the signatures of their authorized representatives on the date set forth above.

CUSTOMER:

Date:
Name:
Its:

ESR, LLC:

Date:
Name:
Its:

Handwritten signature and date 6/27/2012
Legal Counsel
Approved as to Form

Customer Contracting Agreement

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ESR Representative: _____

Send Contract

Copy to:

Business Official Name:	
Business Official Title:	
Address:	
Telephone:	
Fax No.:	
Email:	

Scope of Work

This "Scope of Work" is dated _____, 20__ and is referred to in an Agreement between the parties dated _____, 20__. This Scope of Work set forth the mutual responsibilities of the parties as follows:

ESR Responsibilities:

1. Schedule and conduct a meeting to orientate the appropriate CUSTOMER personnel, including the CUSTOMER Contact in the overall contracting process.
2. Manage the contracted staff as the employer of record.
3. Pay applicable taxes and insurance liabilities.
4. Communicate with prospective contracted staff members as to the contracting process and ESR relationship.
5. Review all ESR Applicant Packets for completeness prior to assignment by ESR.
6. Make copies of all required I-9 identification as outlined in the ESR Applicant Packet.
7. Receive and audit each applicant "PA 189 Disclosure Form."
8. Comply with the Michigan Revised School Code, all applicable statutes of the State of Michigan, and any other legally required criminal history background checks (CHBC) for ESR employees.
9. Process incoming contracted staff requests.
10. Pay contracted staff based on the predefined payroll schedule.
11. Take full responsibility for employee management.
12. Discipline and remove contracted staff if ESR's minimum levels of performance are not met.
13. Document ESR contracted staff performance and provide feedback as is appropriate.
14. Make available fingerprint/criminal history background checks (CHBC) as obtained through the Michigan State Police for each of its employees that have been assigned to any work for CUSTOMER.
15. Abide by and help facilitate expanded Services Model (Attachment B).

CUSTOMER Responsibilities:

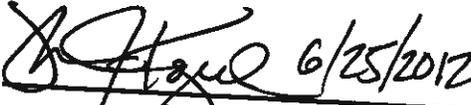
1. Supply specific worksite policies and procedures, i.e., building lockdown, fire, tornado, etc.
2. Forward all required and/or necessary reports, records, or pertinent file information.
3. Pay contract invoices by the payment due date.
4. Notify ESR of any requested staff changed prior to implementation (i.e. any changes affecting forward payment or compensation, dates or terms).
5. Abide by and help facilitate Expanded Services Model (Attachment B).

CUSTOMER Signature:

Date:

ESR Signature:

Date:

 6/25/2012

 Legal Counsel
 Approved as to Form

Customer Contact Form

CUSTOMER Name: _____

Address: _____

1. Human Resource Director: Contact for major disciplinary/termination documentation and communication.

Name: _____

Phone: _____

E-Mail: _____

2. Finance Director: Person responsible for providing payment amounts.

Name: _____

Phone: _____

E-Mail: _____

If there is a different person to whom we should send invoices, please include his/her info here:

Name: _____

Phone: _____

E-Mail: _____

3. Day-to-Day Roster Contact: Person responsible for making changes to the roster and is generally available to answer questions.

Name: _____

Phone: _____

E-Mail: _____

Customer Contracting Agreement – Attachment D

Form Revision Date: June 6, 2012

Page 1 of 1

ACH Authorization Form

In accordance to the terms outlined in the contract, ESR requires the following Authorization Agreement for Preauthorized Debits. EFT transactions are initiated by ESR in accordance Section #10 of the Agreement.

AUTHORIZATION AGREEMENT FOR PREAUTHORIZED DEBITS

Customer Name _____

CUSTOMER hereby authorizes ESR, LLC, hereinafter called COMPANY to initiate debit entries to our Business Checking Account indicated below at the depository financial institution, hereafter called DEPOSITORY and to credit the same to such account. CUSTOMER acknowledges that the origination of ACH transactions to CUSTOMER account must comply with the provisions of U.S. law.

Depository Name: _____ Branch: _____

City: _____ State: _____ Zip: _____

Routing Number: _____ Account Number: _____

This authorization is to remain in full force and effect until COMPANY has received written notification from CUSTOMER of its termination in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it, based on the terms of the Agreement.

Name: _____

(Please Print)

Date: _____ Signature: _____

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

Please attach a voided business check to this form and return to ESR.

**Non-Criminal Justice Agency User Agreement for Release of Criminal History
Record Information**

between

Educational Staffing Resources, LLC

This agency hereinafter shall be known as "ESR" and:

Agency Name		
Address		
City	State	ZIP Code
Contact Name		
Telephone		
Email		
Fax		

This agency hereinafter shall be known as "User"

I. Purpose

This User Agreement is used to provide criminal history record information (CHRI) to employers, licensing agencies, and other agencies needing fingerprint-based criminal background checks.

ESR may receive criminal history record information from the department of state police for the purpose of conducting employment background checks on behalf of User as required by state law. CHRI received by ESR for such purposes is to be maintained and processed in accordance with the federal Security and Management Control Outsourcing Standard for Non-Channelers, wherein User would be the "Authorized Recipient" and ESR would be the "Contractor."

Fingerprint-based criminal background checks must be explicitly mandated or allowed by law. National background checks must be authorized by federal law or a state statute approved by the U.S. Attorney General/ The applying User is seeking background checks for:

Description of background check purpose (if employment or licensing, description of job and customer/clients served)

If school: grades included:	If private security, detective, or burglar alarm company, LARA #:
Law requiring/allowing background checks, if known:	

II. The Parties Agree As Follows

ESR will:

1. Provide criminal history record information (CHRI) in response to fingerprint-based background checks, either to the User or to the appropriate agency that reviews criminal histories for the User.
2. Provide assistance to the User in interpreting CHRI.
3. Work to ensure the completeness and accuracy of the CHRI.
4. Conduct audits to assure compliance with this Agreement.
5. Cease providing information to the User if this Agreement is violated or if the User is suspected of violating this Agreement.

The User will:

1. Abide by the terms and conditions identified in this Agreement.
2. Comply with state and federal laws, rules, procedures, and policies, including those adopted by the state Criminal Justice Information Systems (CJIS) Board and national CJIC Policy Council regarding the use and dissemination of CHRI.
3. Use CHRI only for the purpose requested.
4. Provide for the security of any criminal history record information received. This includes, but is not limited to:
 - a. Designate a Local Agency Security Officer who is responsible for ensuring compliance with security procedures and this User Agreement.
 - b. Ensure that all personnel with access to criminal history information are aware of rules and responsibilities with regard to CHRI.
 - c. Restrict access to physical or electronic copies of CHRI to authorized personnel. Physical copies shall be maintained in a controlled, secure environment such as a locked cabinet in a room not accessible to all staff and visitors. Electronic copies shall be protected with at least 128-bit encryption. The relevant federal encryption standard is FIPS 140-2.
 - d. Share CHRI only when explicitly allowed by law and log and CHRI sharing (either sending or receiving). Logs shall include, at a minimum, the date, sending and receiving agencies, record shared, statutory authority to share CHRI, means of transmission, and person who disseminated.

- e. Track and report information security incidents such as the theft/loss of physical records or the penetration of electronic systems.
- f. Dispose of records securely. Physical media should be cross-shredded at a minimum, and electronic records should be deleted and repeatedly over-written with random 0's and 1's.
5. Understand that this data is based on CHRI received at the state repository. If a person could be adversely affected by this data, the person must be given the opportunity to challenge and correct a record before it is disseminated.
6. Retain audit records for at least 365 days. Once the minimum retention time period has passed, the agency shall continue to retain audit records until they are no longer needed for administrative, legal, audit, or other operational purposes such as Freedom of Information Act requests or legal actions.
7. Allow ESR to conduct audits to assure compliance with this Agreement.

III. Criminal History Record Information Limitations

The user understands the Criminal History Record Information (CHRI) has the following limitations:

1. CHRI is defined and has three parts as follows:
 - a. The arresting agency's name and crime class under which the person was arrested. The arrest data submitted includes the mandatory field of name, race, sex, and date of birth. All arrests are accompanied by fingerprints.
 - b. The charge(s) issued by the prosecutor.
 - c. The name of the court that tried the case and the ultimate disposition of the case.

The arrest warrant file, sex offender file, or other databases maintained by ESR are not part of the CHR record search.

2. CHRI is compiled from information submitted to ESR from law enforcement agencies, prosecutors, and courts (hereinafter referred to as contributing agencies). Although ESR makes reasonable efforts to ensure all information is submitted as required by law, it is not responsible for omissions from contributing agencies.
3. Although the Michigan Department of State Police encourages the reporting of all felonies, misdemeanors and arrest under local ordinances that substantially correspond to State law, law enforcement agencies are only required to report felonies and misdemeanors whose penalty can exceed 92 days confinement.
4. Before releasing information on individuals or taking adverse action against an individual listed on the CHR, the person in question must be afforded the opportunity to dispute and correct the record.
5. CHRI is constantly being updated as new arrests and other information are entered into the system by contributing agencies. The record released is only valid as of the date the record check was performed.
6. Certain statutes allow for the suppression or deletion of records, and this information is not provided.

District Contracting Agreement – Attachment F

Form Revision Date: June 6, 2012

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7. ESR retains records for the State of Michigan only. Most fingerprinting reasons include a check through the Federal Bureau of Investigation, which ESR will request on the User's behalf as a normal part of the criminal background check, if allowed by law.

This Agreement commences on the date the last signature is obtained below and continues until terminated by either party. This Agreement may be terminated by one or both parties upon 14-days written notice or immediately upon violation of the terms of this Agreement.

School District / ISD

Signature of Representative:	
Print Name:	Date:

ESR

Signature from Authorized Representative:	
Print Name:	Date:

Submit completed Attachment with your Agreement.


6/25/2012
Legal Counsel
Approved as to Form

(ESR) Educational Staffing Resources:

- Clerical
- Administration
- Child Care
- Paraprofessionals (Non-Instructional)
- All full and Part-Time White Collar positions
- All new MCA Contracts = ESR

Pricing:

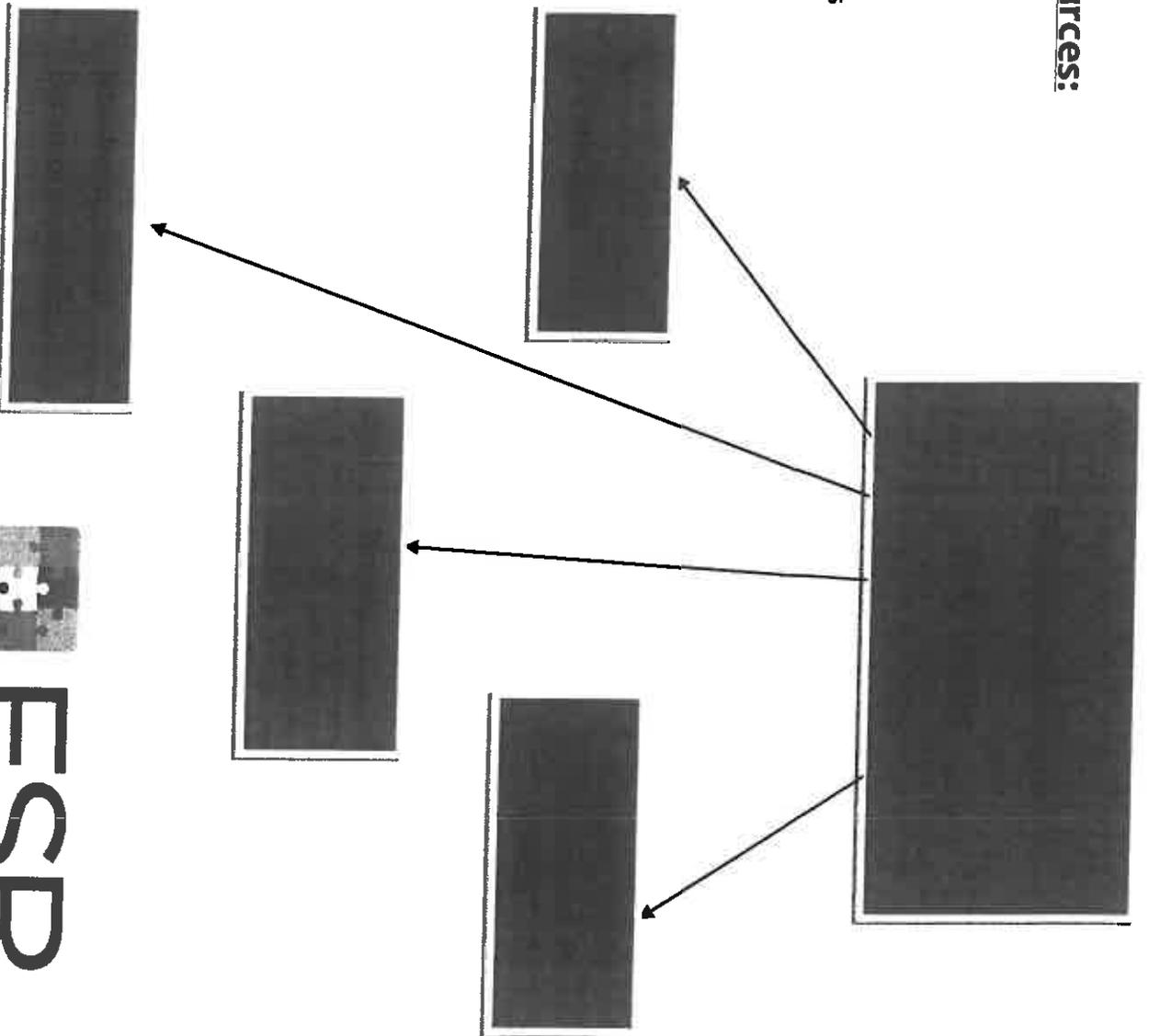
- 17.35% Site Supervisor Model
- 27.5% Site Supervisor w/ Union
- Childcare liability +1.23%
- Other high risk include liability charges

Enrollment:

- All ESR Portal
- Payroll all ESR Payroll (Spreadsheet)
- Substitutes all ESR

Benefits Qualifications:

- FTE 20 hours Full Benefits Plan
- PTE Voluntary Benefits Choices



ESR

EDUCATIONAL STAFFING RESOURCES