



SUBSTITUTE TEACHER SERVICE, INC.

March 20, 2015

MANHEIM TWP. SCHOOL DISTRICT
P.O. BOX 5134
LANCASTER, PA 17606
DONNA PROKAY

Dear DONNA,

Substitute Teacher Service has reviewed your service Agreement for the upcoming two year period. The new Agreement will be effective July 1, 2015 through June 30, 2017. Our Agreement has changed based on recommendations from our legal counsel, most of which will benefit the school district. Please review the new Agreement with your counsel and contact Kevin Kerns if any changes are necessary. (email: k.kerns@thesubservice.com)

To further define the employer of the substitutes, the rate paid to substitutes has been removed from Agreements. The rates shown on the new Agreement are the billing amounts for the types of employee being provided by STS.

Please review the enclosed Agreement and let me know if you have any questions or concerns.

Sincerely,
Jay G. Godwin
President

SUBSTITUTE TEACHER SERVICE
2901 DUTTON MILL ROAD, SUITE 200
ASTON, PA 19014

AGREEMENT

This Agreement is made this 1st day of July, 2015 by and between SUBSTITUTE TEACHER SERVICE (hereafter "STS"), a duly registered Pennsylvania corporation with a place of business at 2901 Dutton Mill Road, Suite 200, Aston, Pennsylvania, and Manheim Township School District (hereafter the "District"), a school district organized pursuant to the laws of the Commonwealth of Pennsylvania and having its administrative office at 450A Candlewyck Road, Lancaster, PA 17601.

WHEREAS, at various times the District requires the services of temporary employees to serve as substitute teachers in various schools in the District;

WHEREAS, STS is in the business of supplying temporary employees including, but not limited to, substitute teachers to schools; and

WHEREAS, STS and the District wish to enter into an agreement under which STS will supply substitute teachers to the District.

NOW, THEREFORE, for good and valuable consideration and with the intention of being legally bound, the parties to this Agreement hereby agree as follows:

1. STS will provide the District with substitute teachers to fill absences among the District's regular faculty. To lessen the administrative impact on the District of such absences, STS will provide the substitute teachers from a pool of individuals who are certified as teachers by the Commonwealth of Pennsylvania and who additionally maintain any and all other certifications required by the Commonwealth for teachers. STS will be responsible for: 1) interviewing all candidates for this pool and ensuring that they have the requisite qualifications including Act 24, Act 34, Act 114 and Act 151, 2) verification of PA teaching certifications; 3) providing Act 126 mandated training, 4) compliance of PA Act 168 for all new hires after December 22, 2014, and 5) maintaining all records (including payroll) for the substitute teachers in the pool.

2. It is hereby understood and agreed that STS is acting in the capacity of an independent contractor of District in performing the services under this Agreement, and STS is not an agent, servant, partner, joint venturer, shareholder, or employee of District. Subject to any reasonable rules and regulations established by District with regard to the performance of those services, STS shall be free to exercise STS's discretion and judgment as to the manner in which STS performs the services hereunder.

3. Each party hereto shall advise its employees that they are not the employees of the other party hereto, and are not entitled to such employment, unless and until such employees are hired by the Board of Directors of the other party hereto and they are notified in writing to that effect. In no event shall STS and District be deemed "joint employers." Each of the parties hereto is solely responsible to hire, assign, promote, discipline, and terminate its own employees.

4. STS agrees that its employees assigned to District shall follow District's policies pertaining to:

- a. Student confidentiality;
- b. Student welfare;
- c. Use of electronic devices;
- d. Unlawful harassment of students and employees;
- e. Civility;
- f. Attire and appearance;
- g. Drugs and alcohol;
- h. Weapons; and
- i. Health and safety in the workplace.

District agrees to provide all applicable policies to STS employees assigned to District.

5. As the employer of the substitute teachers in the pool, STS will maintain all requisite payroll services, FICA insurance, unemployment compensation insurance and workers' compensation insurance.

6. Insurance.

a. Unless waived in writing by District, STS shall purchase from and maintain with a reputable company or companies lawfully licensed and authorized to do business in the Commonwealth of Pennsylvania, upon such terms and conditions as are satisfactory to District, in its sole discretion, the following policies of insurance:

i. Comprehensive commercial liability insurance insuring against claims for damages resulting from bodily injury, sickness or disease of any person and claims for damages or injury to or destruction of property, and all other claims customarily covered under a comprehensive policy, with limits not less than One Million Dollars (\$1,000,000.00) per occurrence and subject to an aggregate limit of Three Million Dollars (\$3,000,000.00) per annum;

ii. Workers' compensation insurance in such amounts and upon such terms as may be required under any workers' compensation, disability benefit or other similar employee benefit Laws; and

iii. Insurance against claims of any Indemnatee pursuant to the indemnification provisions of this Agreement, subject to a limit satisfactory to District.

b. The insurance required by Subsection a. above shall include District as an additional insured and shall be in a form and with companies satisfactory to District. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Services until the date of final payment of the Fee. Certificates of insurance, evidencing the insurance required herein, shall be filed with District prior to commencement of the Services, and as otherwise requested by District (together with a certified copy of the policy, if so requested). The certificates of insurance provided to District hereunder shall provide that coverage afforded under the applicable policies will not be cancelled, modified, or allowed to expire until at least thirty (30) days' prior written notice has been given to District.

7. Indemnification of STS. To the fullest extent permitted by applicable Laws, STS shall and hereby agrees, for itself and its successors and assigns, to indemnify, hold harmless, and, if so requested, defend District and its employees, officers, directors, agents, representatives, and their respective heirs, executors, administrators, personal representatives, successors, and assigns (collectively, the "Indemnitees") from and against any and all claims, damages, losses, liabilities, suits, charges, fines, taxes, fees, penalties, orders, settlements, judgments, actions, causes of action, costs, and expenses (including reasonable attorneys' fees) arising out of or related to: (i) the Services set forth in this Agreement, (ii) the actions or inactions of STS and/or its employees, contractors, and agents, and (iii) the breach by STS of any agreement, covenant, representation, or warranty in this Agreement, regardless of whether any of the foregoing is caused in part by any of the Indemnitees, including, but not limited to, any responsibility for pay or play penalties or shared responsibility payments pursuant to the Affordable Care Act, the imposition of any monetary payments due and owing to PSERS,) any finding pursuant to the Internal Revenue Code or PSERS that the STS employees assigned to District pursuant to this Agreement are deemed employees of District.

8. STS is responsible to hire, supervise, and assign its employees to carry out the duties STS is contracted to perform on behalf of the District under the terms and conditions of the Agreement; provided that STS shall not assign an employee to a location over the objection of the District, unless STS determines that the basis of the District's objections are illegal, contrary to law, or otherwise impossible for being efficiently or practically implemented by STS. Further, STS agrees that the District reserves the right to reject any substitute teacher provided to cover an absence if the substitute teacher does not adequately perform the duties required of the teacher who is absent or if it is not in the best interest of the District to have that particular substitute teacher working in a school in the District.

9. STS agrees that the substitute teachers who will be provided to the District pursuant to this Agreement shall neither accrue seniority in the District nor length of service credit for the purpose of tenure under the Public School Code of 1949, as amended, for all

periods that they are employees of STS and are not on the District's payroll. The substitute teachers further shall not obtain the status of a participant in any pension program including, but not limited to, the Public School Employees Retirement Fund.

10. The District agrees that STS shall be the sole and exclusive provider of per diem substitute teachers for the term of this Agreement. The District accordingly agrees that for the term of this Agreement, the District may not and shall not obtain or use any per diem substitute teachers except for those provided by STS. District has the right to contract per-diem substitutes in the event STS fails to provide adequate coverage for the District.

11. The District agrees that for every substitute teacher who is provided by STS pursuant to this Agreement the following rates will apply. A half day is the minimum amount due unless the substitute teacher is rejected by the District.

Per Diem pay rates under \$200.00 are billed at 33.25%

Per Diem pay rates over \$200.00 are billed at 25%

All other rates, use 33.25%

12. Terms of Payment. STS shall invoice the District twice a month. Payment shall be wired to STS within five (5) business days following invoice delivery. If payment is not received by the seventh (7th) business day after invoice delivery, a 1% late fee will be assessed on all outstanding invoices and service will be interrupted.

13. The amount to be paid for each substitute pursuant to this Agreement includes STS's cost of state-mandated employer taxes, unemployment taxes and workers' compensation insurance. Should the aforementioned taxes, unemployment compensation, workers' compensation or other insurance costs increase, and STS accordingly increases the amount due under this Agreement, the District has the option of terminating this Agreement by providing thirty (30) days written notice to STS within fourteen (14) days after the increase.

14. STS shall supply an Overall Efficiency Rating report to the District by the tenth (10th) day of each month starting in October 1, 2015. Overall Efficiency Rating is defined as the percentage of vacancies that is filled by substitute teachers supplied by STS. It shall be calculated from September 1 2015 through the last complete week of each month for the term of this Agreement, except that it shall not include days on which the county in which the District is located is affected by a flood, blizzard, related natural disaster, or on which the District is involved in a job action or strike. If job action or strike would occur, District has right to contract substitutes provided by STS.

If STS fails to achieve on Overall Efficiency Rating from September 1, 2015 through June 30, 2017 of at least eighty-five (85%) percent, the District may terminate this Agreement by providing thirty (30) days written notice to STS within fourteen (14) days of receiving the final Overall Efficiency Rating report from STS.

15. Assignment and Subcontracting. This Agreement shall be binding upon the parties hereto and their respective successors and assigns. STS shall not assign, in whole or in part, this Agreement or its rights, duties, obligations, or responsibilities hereunder without prior written consent of District, which consent may be withheld at the sole discretion of District. STS shall not subcontract with any person or entity to perform all or any part of the work to be performed under this Agreement without the prior written consent of District, which consent may be withheld at the sole discretion of District.

16. Termination for No Cause. District and STS shall each have the right to terminate this Agreement, for any or no reason, at any time, upon no less than ninety (90) days' prior written notice thereof to the other party. Upon the delivery of written notice of termination by either party, STS shall promptly cease performance of the Services hereunder except for those Services reasonably required to transition responsibility for said Services over to District, and shall provide an accounting thereof through the termination date.

17. Any notice (which does not include invoices) required to be given pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail, return receipt requested, or by an overnight delivery service, to the appropriate party at the following addresses or any different address if written notice of such a change has been delivered to the other party:

STS: SUBSTITUTE TEACHER SERVICE
Jay G. Godwin, President
2901 Dutton Mill Road, Suite 200
Aston, PA 19014

District: MANHEIM TOWNSHIP SCHOOL DISTRICT
Donna Prokay, Director of Human Resources
450A Candlewyck Road
Lancaster, PA 17601

18. The execution of this Agreement shall revoke and render null and void any prior agreements entered into between the parties for the provision of substitute teachers and additionally render null and void any provisions of any prior agreements, written or oral, between the parties inconsistent with this Agreement.

19. This Agreement shall be governed and interpreted by the laws of the Commonwealth of Pennsylvania.

20. This Agreement constitutes the entire agreement between the parties and shall not be modified by any oral or written representations, documents or agreements express or

implied. Only a writing executed jointly by the parties to this Agreement may modify this Agreement.

21. If any provision of this Agreement is held to be invalid, this shall not affect any other provisions, which shall continue in full force and effect.

22. This Agreement may not be assigned.

23. This Agreement is effective from July 1, 2015 through June 30, 2017. This Agreement shall be binding upon the parties hereto, their personal representatives, heirs, assigns and successors.

24. By executing this Agreement, each party acknowledges receipt of a duly executed copy.

IN WITNESS WHEREOF, the parties hereto, with the intention of being legally bound, have set their hand and seal on the day and date first set forth above.

Witness

By: _____
SUBSTITUTE TEACHER SERVICE, INC.

Date: _____

Witness

By: _____
MANHEIM TOWNSHIP SCHOOL DISTRICT

Date: _____