

SHARED SERVICES AGREEMENT

This Service Agreement (“Service Agreement” or “Agreement”) made this ____ day of _____, 2013 by and between VICKSBURG COMMUNITY SCHOOL DISTRICT (hereinafter “DISTRICT”), a general powers school district organized and operated pursuant to Article 1, Part 1 of the Michigan Revised School Code, and KALAMAZOO REGIONAL EDUCATIONAL SERVICE AGENCY (hereinafter “KRESA”), a Michigan intermediate school district, organized and operating pursuant to the Revised School Code, MCL 380.601, et seq.

RECITALS

WHEREAS, “DISTRICT” is organized and operated as a general powers school district under Article 1, Part 1 of the Michigan Revised School Code and has the powers, authority and duties specified therein, including the authority to enter into agreements with other entities, public or private, as part of performing the functions of the school district as well as the authority to engage contractors to carry out the school district powers; and

WHEREAS, KRESA is organized and operated as a Michigan intermediate school district, organized and operating pursuant to the Revised School Code, MCL 380.601, et seq, and has the powers, authority and duties specified therein, including the authority to enter into agreements with other entities, public or private, as part of performing the functions of the school district as well as the authority to engage contractors to carry out the school district powers; and

WHEREAS, KRESA pursuant to and to the extent permitted by MCL 380. 601a(2) of the Revised School Code, has the ability to enter into agreements with other entities, public or private; and

WHEREAS, both “DISTRICT” and KRESA have concluded that said business services may be delivered most economically and efficiently through an employee of KRESA; and

WHEREAS, KRESA has the expertise, training, capacity and qualifications to perform the business services contemplated under this Agreement.

NOW THEREFORE, in consideration of the mutual promises and benefits contained herein, the parties agree as follows:

SECTION 1 **DESCRIPTION OF SERVICES TO BE PROVIDED BY KRESA – RELATIONSHIP OF PARTIES**

1.1 KRESA shall provide to “DISTRICT”, for the term of this Agreement, business services by a KRESA employee who is qualified to perform the functions and responsibilities assigned. Persons selected and assigned to perform business services under this Agreement represent that he/she is qualified for such position and holds all certificates and credentials required by law and by the Parties to qualify for and accept the business services assignment. If at any time an assigned person fails to be qualified, to hold or qualify for any certificates or credentials required to perform services under this Agreement, this Agreement may terminate at

the discretion of either Party. These business services furnished by KRESA to “DISTRICT” shall include, but shall not be limited to those described in attachment “A” attached hereto.

1.2 KRESA employees assigned to deliver services under this Agreement shall maintain records of the days and hours on which services are furnished to “DISTRICT” under this Agreement.

1.3 Pursuant to the requirements of Section 1230 and 1230a of the Revised School Code, KRESA shall perform a criminal history check through the Michigan State Police, as well as a criminal records check through the Federal Bureau of Investigation, with regard to all persons assigned by KRESA to regularly and continuously work in any of “DISTRICT” facilities or at program sites where KRESA delivers business services. “DISTRICT” reserves the right, upon receipt of the criminal history check and criminal records check to inform KRESA that an employee or contractor of KRESA assigned to perform services under this Agreement is not acceptable to “DISTRICT” on the basis of that individual’s criminal history check and/or criminal records check.

“DISTRICT” reserves the right to refuse KRESA’s assignment of any individual, agent or employee of KRESA to render services under this Agreement where the criminal record history of that individual (including any pending criminal charges) indicate, in the judgment of “DISTRICT”, unfitness to perform services under this Agreement.

1.4 In the performance of Services under this Agreement, KRESA (its agents and employees) shall be regarded at all times as performing Services as an employee of KRESA, but who shall also report to “DISTRICT” Director of Finance while performing Services under “DISTRICT” schedule. “DISTRICT” reserves the right to evaluate the business services staff for services provided to “DISTRICT” and to advise KRESA accordingly. Consistent with this Agreement, KRESA, in conjunction with “DISTRICT”, shall develop the means and methods of accomplishing the objectives and purposes of this Agreement for the Services provided to “DISTRICT”.

1.5 KRESA shall be regarded, designated and considered to be the employer with respect to the business services staff or any KRESA employee who provides Services under this Agreement. KRESA shall have final authority and be solely responsible for compensating, hiring, retaining, disciplining, dismissing, evaluating and otherwise regulating the employment conditions, employment rights, compensation and other similar matters relative to all KRESA employees utilized in connection with providing Services under this Agreement. However, nothing within this Agreement shall preclude KRESA from considering the opinions, interests or any information received from “DISTRICT” concerning matters related to any KRESA employee providing Services under this Agreement.

1.6 The parties intend that the business services staff shall be an employee of KRESA, and that nothing in this Agreement shall be construed as being inconsistent with that status and relationship. KRESA’s employees and agents shall not be considered as employees of “DISTRICT” for any purpose and no such employees or agents of KRESA are entitled to any of the rights, compensation or other benefits which “DISTRICT” may provide to its own employees.

1.7 KRESA agrees that the individuals it assigns to “DISTRICT” under this Agreement will abide by those policies of “DISTRICT” which are applicable to performance of Services under this Agreement including, but not limited to, policies pertinent to:

- A. Corporal punishment/physical contact with students;
- B. Non-discrimination;
- C. Child abuse and neglect reporting;
- D. Sexual harassment;
- E. Confidentiality of student records and student record information;
- F. Bloodborne pathogens exposure control;
- G. Administration of medication to pupils;
- H. Communicable diseases;
- I. Alcohol/controlled substance possession and use; and
- J. Copyright.

At the inception of this Agreement, a copy of each of the above applicable policies will be provided to KRESA by "DISTRICT".

1.8 KRESA agrees that the individuals it assigns to "DISTRICT" under this Agreement will adhere to professional standards and will perform all services required under this Agreement in a manner consistent with generally accepted proficiency and competency for the type and nature of services rendered.

1.9 This Agreement does not confer tenure upon any person providing business services or in any other administrative position within the "District" School District.

SECTION 2
TERM OF AGREEMENT AND TERMINATION DURING TERM

2.1 This Service Agreement shall commence on May 1, 2013 ("Effective Date") and remain in full force and effect until June 30, 2015.

2.2 After the initial term of this Agreement, this Service Agreement may be terminated for any reason by either Party upon ninety (90) days written notice to the other party.

This Service Agreement may be terminated at any time during the initial term of this agreement for breach of contract or as mutually agreed by both Parties in writing.

In the event that this Agreement is terminated during its term pursuant to this provision, "DISTRICT" will pay KRESA for its services performed under this Agreement up to and including the effective date of termination. Any funds remitted by "DISTRICT" to KRESA in excess of the pro-rata charges for services performed by KRESA up to and including the effective date of termination will be returned to "DISTRICT" by KRESA. Any such amounts owed by either Party to the other shall be paid within thirty (30) days of the effective date of termination of this Service Agreement.

2.3 Sections 1.8 and 4 of this Agreement survive the expiration or termination of this Agreement for any reason.

SECTION 3
INVOICE AND PAYMENT

3.1 In consideration of the services provided to “DISTRICT” by KRESA under this Agreement, “DISTRICT” will pay KRESA for services rendered under this Agreement as specified below.

- A. KRESA shall invoice “DISTRICT” quarterly for the cost of providing business services staff for an annual amount not to exceed (\$53,930 ___) for the 2013-2014 school year. This fee represents and includes wages, FICA (employer share) contributions, required contributions for employee compensation under the Michigan Public School Employees Retirement System, FUTA, cost incurred by KRESA for enrolling the employees it designates to provide services under this Agreement in health, dental, optical, term life, long term disability coverages, annuity, or other benefits provided by KRESA to its like personnel, as well as allocable premiums for worker’s compensation, general liability and errors and omissions insurance programs covering the employee assigned by KRESA to provide services to “DISTRICT” under this Agreement.
- B. Compensation and reimbursement for KRESA employees shall be memorialized in a schedule as attachment “B”, or subsequent schedule.

3.2 KRESA shall submit to “DISTRICT” on a quarterly basis an invoice setting forth all applicable charges for the billing interval. “DISTRICT” will remit payment within thirty (30) days of receipt.

3.3 KRESA, subject to section 3.1, shall have sole and exclusive responsibility for the following costs and charges attributable to the persons it assigns to provide Services under the terms of this Agreement:

- A. All wage and salary compensation.
- B. All required statutory or contractual pension and retirement contributions.
- C. All applicable state and federal employment taxes and FICA (employee share).
- D. All unemployment taxes and costs (whether by commercial or self-insurance) attributable to or arising from the performance of services by KRESA’s employees or agents pursuant to this Agreement.
- E. All applicable premiums and costs for insurance coverages and programs applicable to KRESA’s personnel.

3.4 KRESA shall be responsible for travel and other necessary expenses incurred by KRESA in furnishing the business services contemplated under this Agreement. “DISTRICT”

shall be responsible for all such expenses directly attributable to service to “DISTRICT”, which shall be detailed on any invoice presented for such expenses by KRESA to “DISTRICT”.

3.5 If “DISTRICT” disputes the accuracy of any invoice delivered by KRESA, “DISTRICT” shall, within thirty (30) days of receipt, deliver a written notice and explanation of such dispute to KRESA. KRESA shall meet with “DISTRICT” to review the invoice and account within ten (10) business days after receipt of the written notice from “DISTRICT”.

SECTION 4 **LIABILITY AND INSURANCE**

4.1 KRESA agrees to procure and maintain in full force and effect workers’ compensation insurance covering its employees while those persons are engaged in performing Services under this Agreement. KRESA agrees to provide “DISTRICT”, upon request, with certificates evidencing the required coverage.

4.2 KRESA agrees to carry comprehensive general liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence, combined single limit for bodily injury and property damage, liability or claims of liability which may arise out of KRESA’s performance under this Agreement.

SECTION 5 **CONFIDENTIALITY**

5.1 KRESA agrees that it shall observe the policies and directives of “DISTRICT” to preserve the confidentiality of records and information, to the extent that KRESA (its employees and agents) are permitted to access such records or information protected by the Family Educational Rights and Privacy Act while performing services under this Agreement.

5.2 **Shared Information.** Each school district acknowledges that persons assigned to provide business services under this Agreement, while acting for one school district, may become aware of information pertaining to duties or interests in the other school district, and agrees that the person assigned to provide business services shall be expected by both school districts to share relevant information with the other school district.

SECTION 6 **NON-DISCRIMINATION**

6.1 The Parties to this Agreement agree not to discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment, due to gender/sex, sexual-orientation, race, color, national origin, religion, height, weight, age, disability or any other status protected by federal, state or local law.

6.2 Breach of covenants recited in this Section shall be regarded as a material breach of this Service Agreement.

SECTION 7
MISCELLANEOUS

7.1 Neither party shall assign this Agreement nor its rights and duties hereunder nor any interest herein without prior written consent from the other.

7.2 This Agreement, and any Attachments or Schedules attached hereto or incorporated by reference, constitute the entire Agreement between the parties regarding its subject matter and supersedes any prior or contemporaneous understandings or agreements with respect to the services contemplated.

7.3 None of the terms and provisions of this Agreement may be modified or amended in any way except by an instrument in writing executed by authorized representatives of KRESA and "DISTRICT".

7.4 Failure by either party at any time to require performance by the other party or to claim breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach nor affect the validity and operation of this Agreement, nor prejudice either party with regard to any subsequent action to enforce the terms of this Agreement.

7.5 Any notice or other communications required or permitted under this Agreement shall be sufficiently given if in writing and delivered personally or sent by confirmed facsimile transmission, telex, telecopy or other wire transmission (with request for assurance in a manner typical with respect to communications of that type), overnight air courier (postage prepaid), registered or certified mail (postage prepaid with return receipt requested) addressed to the party's principal place of business or such other address of which the parties may have given notice.

Unless otherwise specified herein, notices shall be received (1) on the date delivered, if delivered personally, by wire transmission or confirmed facsimile transmission; (b) on the next business day after deposit with an overnight air courier; or (c) three (3) business days after being signed for, if sent by registered or certified mail.

7.6 This Agreement shall be interpreted and enforced under the laws of the State of Michigan applicable to contracts made and to be performed entirely within such State without giving effect of choice of law principles of such State. The parties irrevocably consent to the jurisdiction of the Courts of Michigan to determine all issues which may arise under this Agreement.

7.7 If any provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected, impaired or prejudiced thereby.

7.8 Neither party hereto shall be liable to the other for any loss of business or any other damages caused by an interruption of this Agreement where such interruption is due to: war, rebellion or insurrection; an act of God; fire; government statute, order or regulation prohibiting the performance of this Agreement; riots; strikes, labor stoppages, lockouts or labor disputes to the extent such occurrences are not caused by the actions of the party seeking relief under this Section; or other causes beyond the reasonable control of KRESA or "DISTRICT".

7.9 The Section headings of this Agreement are for convenience of the Parties only and in no way alter, modify, amend, limit or restrict contractual obligations of the Parties.

7.10 This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which constitute one and the same Agreement.

7.11 Nothing in this Agreement shall be intended to confer third party beneficiary status or rights, pursuant to MCL 600.1405 or under the common law, to any person or entity that is not a party to this Agreement.

SECTION 8
AUTHORIZATION

8.1 This Service Agreement has been duly authorized, executed and delivered by the parties and constitutes a legal, valid and binding obligation upon each of them, enforceable in accordance with its terms. Each person placing his/her signature below represents and warrants that he/she is the signatory duly authorized to execute this Service Agreement on behalf of KRESA or "DISTRICT", as is respectively applicable.

**KALAMAZOO REGIONAL EDUCATIONAL
SERVICE AGENCY**

**VICKSBURG COMMUNITY
SCHOOL DISTRICT**

By: _____

By: _____

Its: _____

Its: _____

Dated: _____

Dated: _____