



School District of the City of Pontiac

Kelley Williams, Superintendent

PONTIAC BOARD OF EDUCATION Agenda Item Request Form

Purpose:	<input type="checkbox"/>	Discussion
	<input checked="" type="checkbox"/>	Action
	<input type="checkbox"/>	Report
Contract:	<input type="checkbox"/>	New
	<input checked="" type="checkbox"/>	Renewal
	<input type="checkbox"/>	Extension/ Modification
	<input type="checkbox"/>	N/A

Presenter(s): Kelley Williams, Superintendent
Mrs. Carmen White, Director of Human Resources

Attachment(s): PESG Contract Renewal

Board Meeting Date: June 19, 2017

Agenda Item: Professional Education Services Group (PESG), LLC

Background/Rationale:

Board policy 5685 provides for the arrangement of substitute teaching personnel. The Pontiac School District currently contracts with Professional Education Services Group (PESG), one of the world's largest educational staffing companies, to provide its substitute teachers. The District's current contract with PESG has expired.

Amount spent in 2016-17 (YTD) \$749,922.73

Funding Source/Account Number/s:

Recommendation: It is the recommendation of Administration that the Board of Education approve the Contract with Professional Education Services Group (PESG), LLC from July 1, 2016 – June 30, 2017 in an amount not to exceed \$1,000,000.00.

Approvals Required:

<u>Kelley Williams</u> Superintendent	<u>6/15/17</u> Date	<u>Carmen White</u> Human Resources	<u>6/15/17</u> Date
<u>[Signature]</u> Business and Finance	<u>15 June 2017</u> Date	Curriculum & Instruction	Date
<u>Darryl Segars</u> Legal Counsel	<u>6/15/17</u> Date		

Moved By: _____

Supported By: _____

Board Vote:

Ayes:

Nays:

Request Approved: Yes No

Date Approved: _____



THIS AGREEMENT is between _____ (hereinafter referred to as "CUSTOMER") and PROFESSIONAL EDUCATIONAL SERVICES GROUP, LLC, a Michigan Limited Liability Company, of Grand Rapids, Michigan (hereinafter referred to as "COMPANY") and becomes effective only when the following documents have been signed and delivered to COMPANY:

1. 2-Party Substitute Contracting Agreement
2. Attachment B: Customer Contact and Rate Form
3. Attachment C: ACH Authorization Form

The parties mutually agree as follows:

1. **Term and Termination.** The initial term of this Agreement is three (3) years and may be renewed for additional terms via mutual agreement of the parties. Start and end dates follow the traditional school calendar.

CUSTOMER or COMPANY shall have the right to terminate this Agreement 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 COMPANY shall have the right to terminate at any time for just cause.

2. **Scope of Work.** The mutual responsibilities of the parties are as follows:

a. **COMPANY Responsibilities**

- i. Facilitate ongoing applicant and new employee orientation meetings as needed throughout the school year.
- ii. Advertise, recruit, and screen, hire, and train as needed to increase employee pool.
- iii. Communicate and offer available voluntary benefits and retirement products.
- iv. Manage the employee pool as employer of record.
- v. Maintain COMPANY employee personnel files based on Federal and State guidelines.
- vi. Manage payroll related inquiries, adjustments, and changes.
- vii. Host pertinent employee information on reports.subpass.com.
- viii. Assist CUSTOMER in compliance with Sections 1230 and 1230a of the Revised School Code and applicable CUSTOMER policies relating to criminal history and criminal record checks.
- ix. Pay COMPANY employees provided to CUSTOMER.
- x. Discipline and remove contracted staff if COMPANY is notified that minimum levels of performance are not met.
- xi. Process unemployment and workers' compensation claims.
- xii. Maintain appropriate insurance.
- xiii. Provide file documentation when necessary to support CUSTOMER audit requirements. (e.g. certificates of general liability insurance coverage).
- xiv. Provide information required for Registry of Educational Personnel (REP) reports to the CUSTOMER for biannual submission to the State.
- xv. Collect, audit, and manage substitute certification and required permit documentation.

b. **CUSTOMER Responsibilities.**

- i. On time payment of contracted services as outlined in "Payroll/Billing Responsibility Timeline" (Attachment A).
- ii. Supply specific worksite policies and procedures, i.e., building lockdown, fire, tornado, etc.
- iii. Accurately reconcile Software absence information and submit per Attachment A.

- iv. Audit weekly/biweekly dispatch of payroll reports and report adjustments at reports.contracts subs.com.
- v. Review Criminal History Background Check for each potential employee and complete the Affidavit of Assignment as appropriate.
- vi. Promptly notify COMPANY if CUSTOMER receives notification from the Michigan State Police that a COMPANY employee has been charged with a crime listed in Section 1535a(1) or 1539b(1) of the Revised School Code, being MCL 380.1535a(1) and 380.1539b(1), or a substantially similar law.
- vii. Promptly notify COMPANY of any COMPANY Employee concerns as outlined in Section #6.
- viii. Promptly notify COMPANY of any recommended increase or decrease in the assigned substitute pay codes, or when a substitute achieves a higher pay scale for long-term assignments.

3. **Exclusive Agreement.** CUSTOMER hereby grants to COMPANY an exclusive agreement for the services to be rendered under this Agreement. CUSTOMER shall not employ or retain any other company or competitor of COMPANY to perform the same or similar services (within substitute classes contracted with COMPANY) 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.

COMPANY 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. COMPANY 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, COMPANY shall, if necessary:

- a. Provide CUSTOMER in writing with the identity of any individual employed by COMPANY that is known to have become a retiree on or after July 1, 2010 from the Michigan Public School Employees Retirement System (MPSERS) and for which COMPANY 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. **COMPANY Payments to its Employees.** The parties understand that all contracted employees of COMPANY who are assigned to CUSTOMER are "at-will" employees of COMPANY, subject to the direction and control of COMPANY at all times. COMPANY shall pay, and CUSTOMER shall not be liable for, all salaries, wages, payroll and other taxes to or on account of each such employee arising out of or resulting from services performed pursuant to this Agreement. The COMPANY employee shall not receive any compensation, 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 COMPANY employee during the term of this Agreement without the prior written consent of COMPANY, 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 COMPANY with a 5% processing fee.

5. **Affordable Care Act.** COMPANY is 100% responsible for all costs and compliance associated with the Affordable Care Act for COMPANY employees. Although the parties intend that COMPANY and not CUSTOMER be deemed the common law employer (within the meaning of Treas. Reg. § 31.3401(c)-1(c)) of COMPANY employees and that such employees be deemed the common law employees of COMPANY and not CUSTOMER, the parties nevertheless intend to satisfy the requirements of Treas. Reg. § 54.4980H-4(b)(2), under which an offer of group health plan coverage made by COMPANY is treated as an offer of coverage by CUSTOMER for all purposes of Code § 4980H, provided that certain criteria are satisfied.

In compliance with the Affordable Care Act, COMPANY does not limit the amount of hours worked each week for all employees who work the standard school year (181 days X 7 hours =1267 hours) or less than 1,560 hours in a 12 month look back measurement period. COMPANY offers a plan that constitutes Minimum Essential Coverage (MEC) as defined under section 5000A(f). This satisfies all PART A penalty requirements.

The CUSTOMER is responsible for all Affordable Care Act associated compliance costs for COMPANY employees whom CUSTOMER requests to work more than 1,560 hours in a 12 month look back measurement period, or who are classified as full time employees by CUSTOMER. The selection not to pay for healthcare must be made by job classification. Each individual CUSTOMER, by job class, may choose to not pay for healthcare until a penalty is charged to COMPANY as a PART B penalty. The PART B penalty is currently \$250 per each employee per month electing coverage under a health insurance exchange plan and for which they receive a federal subsidy. The alternative is that the CUSTOMER offers to pay for the "single" only coverage cost per COMPANY employee per month (currently \$300 per month). The COMPANY employee will be offered a "Bronze Level" Minimum Value Plan (MVP) by COMPANY. The CUSTOMER will not be charged the \$300 premium unless the COMPANY employee enrolls in an insurance plan offered by COMPANY. The "offer" of qualified MVP insurance sets aside the PART B penalty.

- 6. **COMPANY Employee Performance.** CUSTOMER personnel are not permitted to discipline or terminate a COMPANY Employee. All disciplinary action must come directly from COMPANY but it must be initiated via a Corrective Action form. CUSTOMER may, at any time, submit a Corrective Action form to COMPANY detailing any concerns regarding the COMPANY Employee. COMPANY will review each Corrective Action and act accordingly. *If CUSTOMER requests that a COMPANY Employee be removed from working at CUSTOMER's schools, COMPANY agrees to discontinue providing that COMPANY Employee to CUSTOMER.*

Exigent Circumstances. If CUSTOMER has any reason to believe that a COMPANY Employee is posing a threat to others, CUSTOMER will immediately remove COMPANY Employee from the premises and notify COMPANY of the situation as soon as possible so that COMPANY can communicate with its employee immediately and begin an investigation. The initial notification from CUSTOMER must be followed up by the submission of a Corrective Action form for purposes of documentation.

Corrective Action forms serve as the basis for COMPANY to review and evaluate performance issues with COMPANY employees. Failure by CUSTOMER to submit such forms where appropriate will release COMPANY from any indemnity obligations for any issues that could have been addressed, resolved or prevented had COMPANY been made aware of the existence of issues or concerns by CUSTOMER regarding the employee.

7. **Payment and Fees.**

COMPANY Contracting Fee: COMPANY shall charge a base administrative fee of 17.90% of the total contracted earned payroll during the initial term of this Agreement. "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.

Services Provided at No Charge: COMPANY does not charge for the following services for any job classification placed with COMPANY:

- a. Direct Cost Advertising
- b. Candidate Interviewing
- c. Positional Screening
- d. Candidate Recommendations
- e. Specific Onsite Evaluations
- f. Onsite Positional Training
- g. Human Resource Consulting

Invoicing/Payment of Fees: COMPANY 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 Attachment A.

On-time Payment of Fees: If ACH funds are not available, payment will increase by 1.0% of the invoice amount for each calendar week until payment is received. If CUSTOMER fails to make payment against COMPANY invoice or make other, acceptable payment arrangements, COMPANY reserves the right to immediately suspend services until payment or acceptable arrangements are made with COMPANY.

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

Deficit Districts: If CUSTOMER is placed on the Michigan Department of Education Deficit District list for the most recent fiscal year, COMPANY may require a Standby Letter of Credit equal to 25% of annual payroll to cover the potential liability at risk for unfunded payroll.

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. COMPANY will review each contracted position presented.

8. **Federal and State Payroll Tax Adjustments.** If the overall cost associated with COMPANY's payroll taxes, Federal or State required benefits, and other taxes and assessments substantially increase by more than 50 basis points (1/2%) of payroll during the term of this agreement, COMPANY'S administrative fee will increase proportionately with a 15 day notice and substantiation to CUSTOMER.
9. **Permits, Laws and Regulations.** COMPANY shall obtain and pay for all necessary business permits. COMPANY and CUSTOMER shall comply with all applicable laws and regulations 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, applicable Federal law regarding background checks, and all applicable Federal and State anti-discrimination laws. Changes to state and federal law that affect this Agreement will be implemented without the need for mutual agreement in writing and require notification only.

CUSTOMER is responsible for obtaining and maintaining all positional permits, certificates, and licensing. COMPANY will assume the responsibility of facilitating the process on CUSTOMER's behalf unless told otherwise.

10. **Warranty.** COMPANY warrants that the services provided hereunder shall conform to the standards of care and practice appropriate for employers in managing staff while under this Agreement.

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

11. **Insurance.** COMPANY 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 COMPANY employee and/or all other relevant party’s automotive liability insurances have been subrogated and exhausted to the extent of Michigan Insurance Law. COMPANY does not provide a motor vehicle to its contracted employees. If a CUSTOMER vehicle is utilized by a COMPANY employee, CUSTOMER insurance is primary. The assigned COMPANY employee’s personal auto insurance will be secondary. Motor vehicle travel to, from, and between assignments is the COMPANY employee’s responsibility and COMPANY does not have liability in these circumstances.

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

- a. Motor Vehicle Liability Insurance in the minimum amount of one million dollars (\$1,000,000) combined single limit.
- b. 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 CUSTOMER’S employees and all injuries caused by products or services produced by CUSTOMER.

12. **Mutual Indemnification.** COMPANY 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 the gross negligence of COMPANY or its officers and employees, except to the extent that such damage, loss or expense is due in whole or in part to the fault, violation of law, breach of contract or negligence of the party seeking indemnity in which case the indemnity obligation shall not apply. Nothing herein shall obligate COMPANY to answer, defend or resolve claims against the CUSTOMER arising from the negligence, wrongful act or breach of this Agreement by the CUSTOMER. Nothing herein shall be deemed to create any third-party beneficiary rights against COMPANY.

To the extent allowed by Michigan law, (or if a court finds that the law of another jurisdiction applies, then to the extent allowed by the law of such other jurisdiction) CUSTOMER agrees to indemnify and hold COMPANY, 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 COMPANY or any third party, or to personal injury or death, arising out of the gross negligence of CUSTOMER, or its officers, Board of Education and employees, except to the extent that such damage, loss or expense is due in whole or in part to the fault, violation of law, breach of contract or negligence of the party seeking indemnity in which case the indemnity obligation shall not apply. Nothing herein shall be deemed to create any third-party beneficiary rights against CUSTOMER or to diminish CUSTOMER’s defense of governmental immunity in defense of claims against it.

13. **Compliance with School Safety Initiative.** COMPANY shall assist CUSTOMER in compliance with Sections 1230 and 1230a of the Revised School Code and applicable CUSTOMER policies relating to criminal history and criminal record checks by ensuring that COMPANY’S assigned individuals have received an Affidavit of Assignment from CUSTOMER.

COMPANY agrees to furnish and abide by PA189.

14. **Professional Development.** COMPANY shall provide professional development training modules for its contracted employees, such as Bloodborne Pathogens, Hazardous Materials, Food Allergies/Epi-Pen, Sexual Harassment, FERPA, Bullying, and a Guide to Substitute Teaching. COMPANY 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 COMPANY’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 COMPANY employee with, keys, entry etc. for the assigned position based upon CUSTOMER's policies.

15. **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.
16. **Freedom of Information Act (FOIA):** COMPANY acknowledges that CUSTOMER is a public entity covered by FOIA and that certain documents in its possession may be subject to disclosure. COMPANY requests that CUSTOMER notify COMPANY immediately so that COMPANY can, if necessary, provide the proper documentation so that confidential information is not released.
17. **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 COMPANY either prior to this Agreement, or in the course of performing work for CUSTOMER under this Agreement shall be owned by COMPANY 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 COMPANY. CUSTOMER will not disclose any Proprietary Information to a third party at any time without the prior written consent of COMPANY, 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 COMPANY all reasonable Proprietary Information in its possession.

Proprietary Information shall include all confidential information disclosed to CUSTOMER by COMPANY whether directly or indirectly, and all proprietary information concerning COMPANY 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.
18. **Independent Contractor.** The parties hereto agree that COMPANY shall be an independent contractor in the performance of this Agreement and shall not act as agent or representative of CUSTOMER in any capacity.
19. **CUSTOMER Contact.** For the purposes of this Agreement, the CUSTOMER will designate via the "Customer Contact Form" (Attachment B) an individual as CUSTOMER Contact for COMPANY. The duties of the CUSTOMER Contact are as follows: (a) submission of appropriate information, and (b) active correspondence with COMPANY staff.
20. **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 Attachment B. Furthermore, mid-school year adjustments may be made at any time if circumstances at CUSTOMER require such change and agreed upon in writing by COMPANY.
21. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.
22. **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.
23. **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.
24. **Civil Rights.** COMPANY will comply with all State/Federal employment regulations and civil rights as mandated by law.
25. **Fill-Rate Solutions.** If COMPANY determines that CUSTOMER's fill rate (number of absences filled divided by the total number of absences) for this classification has dropped below 95% consistently over a ninety (90) day period, or at CUSTOMER's request, COMPANY will implement its programs for increasing fill rates. These programs will be discussed in detail with CUSTOMER if/when they are needed.

2-Party Substitute Contracting Agreement

Form Revision Date: March 31, 2017

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26. **Entire Agreement.** This Agreement and the accompanying Attachments constitute the entire Agreement between the parties regarding its subject matter and supersede any prior Agreements or understandings. No amendments, changes or modifications outside of the ones specifically named herein, shall be valid unless in writing and signed by authorized representatives of both parties. This Agreement shall remain in full force and effect until such time as it is either terminated by one or both parties or it is superseded by another agreement.
27. **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.

2-Party Agreement by and between COMPANY and CUSTOMER

CUSTOMER:

Date: _____

Name *(Printed)*: _____

Signature: _____

Position/Title: _____

PESG, LLC:

Date: _____

Name *(Printed)*: _____

Signature: _____

Position/Title: _____

New Customers:
Please also complete
and return Attachments
B and C.

Renewing Customers:
Attachments B and C
are only necessary if
there have been
changes to your
contacts, rates, or ACH
information.

Send Agreement Copy to:

Business Official Name:	
Business Official Title:	
Address:	



Payroll/Billing Responsibility Timeline

Week One

Monday (1st Monday following the 2 week pay period):

On the Monday following the pay period, all absence data is audited and reconciled in the Software system. Reconciliation involves verifying the COMPANY employee worked the shift recorded in Software, the correct pay code was assigned and the absence "reconciled" to assure the information is accurate for payroll and billing calculations. Reconciliation must be completed by 11:59 PM.

Customers utilizing a manual system for payroll reporting must submit the COMPANY approved Manual Spreadsheet by 11:59 PM.

Tuesday:

Payroll adjustments must be submitted to COMPANY at reports.contracts subs.com. Payroll adjustments submitted by 11:59 PM will be processed within this payroll cycle.

Wednesday:

Thursday:

CUSTOMER receives invoice from COMPANY by 12:00 pm.

Friday:

CUSTOMER reviews invoice for accuracy and funds their bank account. Invoice discrepancies are corrected in the next payroll and billing cycle.

Week Two

Monday:

COMPANY initiates ACH transaction from CUSTOMER by 3:00 PM equal to the invoice amount for that pay period.

Tuesday:

The transaction from COMPANY hits and funds leave CUSTOMER account.



Customer Contact and Rate Form

Checked box below denotes Primary CUSTOMER Contact Person

	Contact Information	Name/Telephone	Mailing Address	Email Address
<input type="checkbox"/>	HR Director: Person responsible for documenting/communicating COMPANY employee disciplinary information.			
<input type="checkbox"/>	Finance/Accounts Payable: Person responsible for invoice and payment processing or payroll related questions.			
<input type="checkbox"/>	Scheduling Software Coordinator/Navigator: Person responsible for Scheduling Software, if applicable.			
<input type="checkbox"/>	Customer REP: Person responsible for reporting REP Data.			
<input type="checkbox"/>	Other Important Contact:			

Sub Classifications & Recommended Pay Rates:

- Identify which classes of substitutes (teacher subs, paraprofessionals, etc.) to be employed by COMPANY.
- Identify any stair-step pay rates and number of days for each pay rate. *Note: It is CUSTOMER's responsibility to re-classify the substitute teacher in the Scheduling System for stair step pay rates as well as re-establishment of base pay rates following a long-term assignment.*
- Identify any hourly or daily rates for any other classes of employees that COMPANY is managing (e.g. Parapro's or aids).

Classification	Daily Rate	Half-Day Rate	Hourly Rate	Stair Step Rates
<i>Example: Teacher Sub</i>	\$80	\$40	N/A	\$100/day starting day 21



ACH Authorization Form

In accordance with the terms outlined in the Agreement, COMPANY requires the following Authorization Agreement for Preauthorized Debits. EFT transactions are initiated by COMPANY based on Attachment A ("Payroll/Billing Responsibility Timeline").

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: _____
(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 below.

(VOIDED CHECK)