

INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT made and entered the date set below between PINAL COUNTY, a political subdivision of the State of Arizona, on behalf of the Pinal County Superintendent of Schools, hereinafter referred to as "COUNTY," and the Member School Districts of the Pinal County Schools Data Processing Service, whose names are set forth in Exhibit "A," which is attached and incorporated by reference herein, referred to as "CONSORTIUM."

RECITALS

1. WHEREAS, the County School Superintendent is required under A.R.S. 15-301, et. seq., to perform accounting, budget, financial record keeping and payroll services on behalf of the various school districts which exist in Pinal County, and;
2. WHEREAS, the ability of the School Superintendent to perform these services is enhanced through the use of data processing services, and;
3. WHEREAS, the County Board of Supervisors is required by law to provide the County School Superintendent with those services reasonably necessary to the performance of the Superintendent's statutorily mandated duties, and;
4. WHEREAS, several school districts in Pinal County have entered into an agreement pursuant to A.R.S. 15-365 to cooperatively obtain data processing services and to delegate the responsibility of management of the data processing services to the office of the County School Superintendent, and;
5. WHEREAS, the COUNTY and the CONSORTIUM desire to avoid duplication of effort, equipment and resources:

THE PARTIES AGREE AS FOLLOWS:

1. USE OF CONSORTIUM EQUIPMENT

CONSORTIUM shall allow the County School Superintendent to use its data processing services for performing the duties of the County School Superintendent required by A.R.S. 15-301, et. seq. These duties include:

- A. Preparation of the Bi-Weekly School Payroll, including all accounting and financial records required by federal and state withholding laws.
- B. Preparation of Warrants for Accounts Payable of each individual school district.
- C. ALL Financial Records required by A.R.S. 15-304, including Budgets, Revenues, Expenditures, and Payroll Records.
- D. ALL Financial Records necessary to produce the County School Superintendent's annual financial report.
- E. ALL Financial Records from each district necessary to calculate amounts of state and county equalization assistance for each school district and to calculate the tax rate each year for each school district.
- F. Those financial records necessary to balance the accounts maintained by the County School Superintendent for each school district with the records of the Pinal County Treasurer on a monthly basis.
- G. ALL financial records for the service programs administered by the County School Superintendent on behalf of participating districts. These programs currently include: Educational Services Agency Department, Special Education Program, Data Processing Service, Juvenile Justice, Adult Justice, Direct Service Claims Billing Service Program, The Cooperative Purchasing Network (TCPN) and such other programs as the County School Superintendent deems appropriate.

Use of Consortium Equipment shall include: All data processing services, programming, personnel, telephone and related services required to perform the County School Superintendent's duties.

2. PAYMENT

In consideration for the CONSORTIUMS performance as set forth above, COUNTY shall pay the sum of ONE HUNDRED TWENTY-FIVE THOUSAND EIGHT HUNDRED AND NO/100 (\$125,800) DOLLARS in one installment of ONE HUNDRED TWENTY-FIVE THOUSAND EIGHT HUNDRED AND NO/100 (\$125,800) DOLLARS. The installment shall be due on December 1, 2010. Payment shall be made to the CONSORTIUM at the address specified herein, or by electronic or bookkeeping transfers. COUNTY shall furnish NOTICE OF THE TRANSFER to CONSORTIUM. Further, COUNTY shall have no financial obligation under this Agreement beyond those set forth in this paragraph.

3. PRIORITY FOR MANDATED SERVICES

CONSORTIUM agrees that the services rendered to the County School Superintendent which are required by the officer in the performance of statutorily mandated duties for all school districts shall be given priority over all elective services performed by the CONSORTIUM.

4. BACK-UP INFORMATION

As the information generated by the CONSORTIUM is essential to the County School Superintendent in the performance of the office duties, the CONSORTIUM shall provide the County School Superintendent with such hard copies, programming information, and records as deemed necessary to protect against loss of information resulting from a data processing failure.

5. INSURANCE AND LIABILITY

CONSORTIUM certifies to COUNTY that it has, and shall maintain in effect, a general liability insurance policy in a sum not less than FIVE MILLION DOLLARS (\$5,000,000). Further, the CONSORTIUM agrees to indemnify COUNTY for any losses suffered by the County School Superintendent arising out of the acts, negligence or omission of an employee or contractor of the CONSORTIUM, to the extent provided by insurance; however, CONSORTIUM shall not be liable for any negligence of the County School Superintendent.

Additionally, CONSORTIUM agrees to hold COUNTY harmless of any acts, negligence or omissions of employees and/or contractors of CONSORTIUM to the extent provided by insurance, except the CONSORTIUM shall not hold COUNTY harmless for the negligence of the County School Superintendent acting as the County School Superintendent.

6. CONSORTIUM POLICIES

County School Superintendent shall comply with those data processing management procedures established by the school districts participating in the CONSORTIUM which are necessary to the efficient functioning of the CONSORTIUM's Data Processing System.

7. EMPLOYMENT

COUNTY and CONSORTIUM agree that the individuals performing these data processing services on behalf of the County School Superintendent shall be the employees and/or contractors of the CONSORTIUM.

8. TERM

The Agreement shall commence on July 1, 2010, and shall continue for a period of one (1) year. The parties acknowledge that either COUNTY or CONSORTIUM may incur substantial expenses based on the existence or nonexistence of this Agreement. Therefore, both parties agree that if either party

intends not to enter into a new agreement on July 1, 2011, the party shall provide the other party with notice of such intent no later than December 1, 2010; further, the CONSORTIUM shall cooperate with COUNTY to transfer information from the CONSORTIUM to the provider of Data Processing Services to the County School Superintendent.

9. FULL DOCUMENTATION

In accordance with A.R.S. 15-365, on or before May 15, 2011, the CONSORTIUM shall submit to the COUNTY a program progress report and a fiscal report including actual expenditures through March 31, 2011, and estimates for the remainder of the fiscal year.

On or before March 15, 2011, the CONSORTIUM shall provide to the COUNTY a written proposal for services, if any, it will provide to the COUNTY on behalf of the County School Superintendent for the year commencing on July 1, 2011. The proposal shall include a specific hourly cost and listing of services to be provided.

10. COOPERATION WITH COUNTY OFFICIALS

The CONSORTIUM agrees to furnish all records necessary for the preparation of the COUNTY's annual audit and to provide all information necessary to COUNTY required for the performance of the duties of other county officials. Additionally, the CONSORTIUM shall exercise due diligence to comply with applicable provisions of the Uniform Accounting Manual for County School Superintendents and other recommendations of the Arizona Auditor General's Office.

11. CERTIFICATION OF AUTHORITY

Each of the signatories to this Agreement certifies that he/she has the authority to sign the Agreement on behalf of his/her respective parties.

12. PROCUREMENT CODE

CONSORTIUM shall comply with all applicable provisions or regulations issued by the Arizona Department of Education relating to school district procurement.

13. EARLY TERMINATION

As each party has incurred substantial expense in entering this Agreement, it is agreed that either party may terminate this Agreement by giving one hundred and twenty (120) days written notice to the other party at the address specified in this Agreement. Further, any payment coming due during the one hundred and twenty (120) day period shall be paid to CONSORTIUM, together with one-half (1/2) of all remaining payments due under this agreement. Notwithstanding the foregoing, if either Party's performance under this Agreement depends upon the appropriation of funds by the Arizona Legislature, and if the Legislature fails to appropriate the funds necessary for performance, then either Party may provide written notice of this to the other Party and cancel this Agreement without further obligation. Appropriation is a legislative act and is beyond the control of the Parties.

14. NOTICES

In any case where any notice or other communication is required or permitted to be given hereunder, such notice or communication shall be in writing and (a) sent by certified United States mail, postage prepaid, return receipt requested, or (b) sent by way of a recognized overnight courier service, postage prepaid, return receipt requested, with instructions to deliver on the next business day, and be sent to each party at the following addresses:

COUNTY: Clerk of the Board of Supervisors
P.O. Box 827
Florence AZ 85132

CONSORTIUM Pinal County Schools Data Processing Service
c/o Pinal County School Superintendent
P.O. Box 769
Florence AZ 85132

15. CLAIMS AND DISPUTES

CONSORTIUM and COUNTY agree that in the event the parties are unable to reach agreement on any disputed matters, compliance with applicable notice of claims statutes shall be required.

16. NON-PERFORMANCE

CONSORTIUM and COUNTY acknowledge that the data processing services provided by CONSORTIUM are essential to the County School Superintendent in the performance of his/her duties. Therefore, if CONSORTIUM fails to perform its required duties under this Agreement, the COUNTY, after providing ten (10) calendar days notice of the breach to CONSORTIUM, and the breach of this Agreement having not been corrected, may elect to obtain data processing services for the County School Superintendent from an alternative source. In the event COUNTY fails to pay the required amounts due to CONSORTIUM, the CONSORTIUM may suspend providing data processing services to the County School Superintendent, after providing COUNTY with ten (10) calendar days notice of non-payment and not having received payment thereafter as required by the Agreement.

17. ATTORNEY'S FEES AND COSTS

In the event of a breach of contract by either party to this Agreement, the other party may pursue all remedies under the laws of the State of Arizona and shall be entitled to actual and reasonable attorney's fee and costs.

18. CHOICE OF LAW

This Agreement shall be governed and interpreted by the laws of the State of Arizona. CONSORTIUM AND COUNTY shall operate under the provisions of A.R.S. Title 15, as amended, and in the event a conflict exists between this Agreement and the laws of the State of Arizona, the laws of the State of Arizona shall control.

19. CONFLICT OF INTEREST

This Agreement is subject to the cancellation pursuant to A.R.S. § 38-511, the provisions of which are incorporated herein by reference.

20. NONDISCRIMINATION

The parties shall comply with Executive Order 99-4 and all other applicable State and Federal employment laws, rules, and regulations, mandating that all persons shall have equal access to employment opportunities, and that no person shall be discriminated against due to race, creed, color, religion, sex, national origin or disability.

21. SUDAN/IRAN

Pursuant to A.R.S. §§ 35-391.06, *et seq.* and 35-393.06, *et seq.* the parties hereby warrant, and represent to each other, that they do not have, and their subcontractors do not have and during the term hereof will not have a scrutinized business operation in either Sudan or Iran.

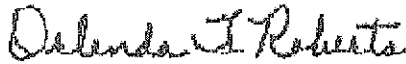
22. E-VERIFY/IMMIGRATION

The parties hereby warrant, and represent to each other, that they are in compliance with A.R.S. §§ 41-4401 and 23-214, the Federal Immigration and Nationality Act (FINA), and all other federal immigration laws and regulations.

23. FINGERPRINTING

The parties shall comply with the fingerprinting requirements of A.R.S. § 15-512 unless otherwise exempted.

THIS AGREEMENT EXECUTED THE DATES SET FORTH BELOW:



County School Superintendent

05/24/2010

Date

Chairman, Board of Supervisors

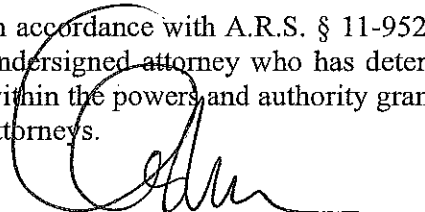
ATTEST:

Clerk, Board of Supervisors

Date

Certification of Counsel:

In accordance with A.R.S. § 11-952, the foregoing Agreement has been reviewed by the undersigned attorney who has determined that said Agreement is in proper form and is within the powers and authority granted to the public body represented by their respective attorneys.



Pinal County Attorney
Attorney for Board of Supervisors

6/1/10
Date

Intergovernmental Agreement
Pinal County Schools Data Processing Service

School District Name

School District No. _____

Member

Member

Member

Member

Member

Certification of Counsel

In accordance with A.R.S. § 11-952, the foregoing Agreement has been reviewed by the undersigned attorney who has determined that said Agreement is in proper form and is within the powers and authority granted to the public body represented by their respective attorneys.

Attorney for the School District

Date

EXHIBIT A

**MEMBER SCHOOL DISTRICTS OF THE
PINAL COUNTY SCHOOLS DATA PROCESSING SERVICE**

1. Florence Unified School District #1
2. Oracle Elementary School District #2
3. Ray Unified School District #3
4. Red Rock Elementary School District #5
5. Mammoth/San Manuel Unified School District #8
6. Eloy Elementary School District #11
7. Superior Unified School District #15
8. Sacaton Elementary School District #18
9. Maricopa Unified School District #20
10. Coolidge Unified School District #21
11. Toltec Elementary School District #22
12. Stanfield Elementary School District #24
13. Picacho Elementary School District #33
14. Apache Jct. Unified School District # 43
15. J. O. Combs Unified School District #44
16. Casa Grande Union High School District #82
17. Santa Cruz Valley Union High School District #840
18. Mary C. O'Brien School/Pinal Special Education
19. C.A.V.I.T.
20. C.V.I.T.