

**CONTRACT FOR DAYTON PUBLIC SCHOOLS  
SUBSTITUTE TEACHER EMPLOYMENT SERVICES**

TREASURER/CFO

REC'D 14DEC16 3:45P

This contract, effective January 1, 2015 by and between Parallel Employment Group, Inc., a Wisconsin based Corporation in good standing, located at 6925 South 6<sup>th</sup> Street, Suite 300, Oak Creek, WI 53154, (hereinafter referred to as "Contractor") and the Dayton Board of Education (hereinafter referred to as "District," "Board," "Dayton Public Schools," or "DPSD"). For and in consideration of the covenants and provisions set forth herein, the parties agree to the following terms and conditions:

1. This document together with the bid documents which include: the Request for Proposals Number 14-809, as amended, and with the amendments, the Contractor's amended technical and cost proposal incorporated herein as Schedule A as though fully rewritten, shall be collectively called the "Contract." In the event of a conflict, precedence shall be given in the following order: 1) this Contract, 2) the terms and conditions attached, 3) the Request for Proposals.
2. The proposed cost to the District will be in accordance with the hourly and weekly rates stated in the revised cost proposal (attached) which shall henceforth be referred to as "Schedule A." The base pricing is based on the daily rate of \$13.00 hourly rate x an estimated 50 (substitutes) x 179 school days.
  - a. Base Period (one year) \$1,164,082.00 annual cost
  - b. Total Price (including two (2) one-year options): \$3,492,246.00
3. The Term of this contract will be from January 1, 2015 through June 30, 2016, with two (2) one-year options. The effective date of this Contract shall be for the base period commencing January 1, 2015 through June 30, 2016.
4. Should the District choose to exercise the one-year option at the end of the initial base period, the District will notify Contractor at least thirty (30) days prior to the close of the base period.
5. Should the District choose not to exercise the one-year option at the end of the initial base period, the District will notify the Contractor in writing at least (30) days prior to the close of the base period. There is no obligation to the District to exercise either of the one-year options.
6. The Contractor will provide liquidated damages at the rate as indicated in the contract for failure to meet the performance and fill rate guarantee as outlined in Exhibit B. Liquidated damages will be indicated as a discount on the invoice as a total amount. Supporting documentation will be provided to Director HR as indicated in the RFP.
7. This Contract may not be assigned without the prior written consent of the other party, such consent not to be unreasonably withheld or delayed. Consent shall not be required in the case of a sale of all or substantially all the assets of the assigning party or an assignment to an entity directly or indirectly owning or controlling, owned or controlled by, or under common control with the assigning party. Notwithstanding the foregoing, Contractor shall retain the right to terminate this Contract without further obligation or liability to District, its successors or assigns, if, in its sole and exclusive judgment, any assignment or purported assignment by District is to be made to a competitor of Contractor.

8. This Contract shall be binding upon and inure to the benefit of Contractor and its heirs, administrators, executors, successors and assigns, and the Dayton Board of Education and its successors and assigns.
9. This Contract shall not be altered, changed or modified except by written and signed agreement of the parties hereto. The Contractor shall fully execute this Contract described herein except as specifically indicated as being the responsibility of the Dayton Board of Education. The parties acknowledge that Contractor's obligations and responsibilities pursuant to this Contract shall include the obligations and responsibilities of any of its subcontractors specifically identified in this Contract or in any document expressly incorporated herein by reference.
10. The use of the Dayton Public Schools Trademark shall only be by written consent of the Contracting Officer for each use.
11. The Contractor agrees to establish an office in the city of Dayton.
12. This Contract, all rights and obligations between the parties to this Contract, and any and all claims arising out of or relating to the subject matter of this Contract, shall be governed by the laws of the State of Ohio, without regard to its choice of law provisions. Both parties agree to protect the trade secrets and confidential student and employee information of the other subject to the laws of the State of Ohio, as well as the Federal Education Rights and Privacy Act, 20 U.S.C. 1232g.
13. **Dispute Resolution:** In the event either party believes that Contract has been breached regarding any material term or provision such party must provide written notice to the other party within five (5) business days of the actual event giving rise to the breach. The other party shall have five (5) business days after receipt of such notice to respond and/or cure the issue. In the event the Parties are unable to collectively resolve the dispute the parties agree to submit his matter to the American Arbitration Association (AAA) tribunal for resolve. The AAA shall furnish a list for the parties to select an Arbitrator or the AAA shall have the authority to select an Arbitrator, unless the parties agree that additional list(s) shall be furnished. The rules of the AAA shall govern and decision of the Arbitrator shall be final and binding upon the parties, unless contrary to law. The parties agree to equally share the fees, costs and expenses of the Arbitration process related to this matter. The parties further agree that the Arbitration process is the exclusive remedy for any breach of the Contract and waives any and all proceedings before other tribunals and forums in the State of Ohio or any other jurisdiction.
14. The Contractor or assignee, if any, shall act as an independent contractor and nothing herein shall create any other type of relationship.
15. The District shall be invoiced in accordance with this Contract and billed at the rates specified in Schedule A.
16. Contractor and the District recognize that Ohio state law requires the substitute teachers to contribute to State Teachers Retirement Systems of Ohio ("STRS"), such amount being equal to twelve percent (12%) of a substitute teacher's wages (the "Employee Contribution"). Contractor and the District also recognize that the employer of the substitute employees has an obligation to contribute an amount equal to fourteen percent (14%) of a substitute teacher's wages to STRS, and in this case Contractor will be considered the employer (the "Employer Contribution"; together with Employee Contribution, the "Total Contribution"). Further, Contractor and the

District recognize that, even though Contractor is the employer of the substitute employees, Contractor is not considered an "Employer" for purposes of establishing an account with STRS, and therefore Contractor cannot remit the Total Contribution directly to STRS, nor can Contractor directly submit the required reports to STRS at year-end or five days following a payroll period. As such, Contractor and the District agree as follows:

- a. The Employer Contribution is billed by the Contractor to the District separately from the rates and mark-up identified in Schedule A.
  - b. Contractor will be responsible for paying the Total Contribution for each substitute employee, provided the District timely pays Contractor's invoices. Contractor will make this payment by remitting the Total Contribution amount to the District, and the District will then remit the Total Contribution to STRS on behalf of Contractor's employees. Contractor will satisfy this payment to the District by allowing the District to withhold from its invoice payments to Contractor an amount equal to the Total Contribution for each employee. The invoices will show a credit specifically for Contractor's responsibility for such Total Contributions.
  - c. The District will remit the amount withheld from Contractor's invoice for Total Contribution directly to STRS on behalf of Contractor for Contractor's employees.
  - d. Contractor will provide to the District the required information for all Contractor's substitute teachers for inclusion in the District's reports submitted to STRS for year-end and five days following a payroll period.
17. Neither party, including its affiliates and subsidiaries, shall be liable in any way for any delay, failure of performance, loss, or damage hereunder due to causes beyond its reasonable control including, but not limited to: acts of God or the public enemy, fire, explosion, vandalism, cable cut, power blackout, earthquake, flood, storm, or other similar catastrophe; inability to secure raw materials, inability to secure products, acts or omissions of third party carriers or equipment vendors or other third parties, any law, order, regulation, direction, action, or request of the United States government or of any other government, including state and local governments having jurisdiction over either of the parties, or of any department, agency, commission, court, bureau, corporation, or other instrumentality of any one or more of said governments, or of any civil or military authority; national emergencies; terrorist acts, insurrections; riots; wars; or labor disputes, strikes, lock outs, work stoppages, or embargos.
18. In the event one or more of the provisions contained in this Contract shall, for any reason, be held to be invalid or illegal in any respect, such invalidity or illegality shall not affect any other provision hereof, and this Contract shall be construed as if such invalid or illegal provision had never been contained herein. In the event that any provision of this Contract is held to be unenforceable in any respect, the unenforceable provision shall be construed in accordance with applicable law as nearly as possible to reflect the original intentions of the parties and the remainder of the provisions shall remain in full force and effect.

19. The waiver by a party of any breach of this Contract by the other party in a particular instance shall not operate as a waiver of subsequent breaches of the same or different kind. The failure of a party to exercise any rights under this Contract in a particular instance shall not operate as a waiver of such party's right to exercise the same or different rights in subsequent instances. Except as otherwise expressly stated in this Contract, the rights and remedies of a party set forth herein with respect to any failure of the other party to comply with the terms or conditions of this Contract (including, without limitation, rights of full termination of this Contract) are not exclusive, the exercise thereof shall not constitute an election of remedies.
20. This Contract including the documents incorporated herein by reference constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all proposals, oral or written, all negotiations, conversations or discussions, and all past dealings between the parties relating to the subject matter hereof. Each party acknowledges and agrees that no employee, officer, agent, or representative of the other party has the authority to make any representations, statements, or promises in addition to or in any way different than those contained in this Contract, and that it is not entering into this Contract in reliance upon any representation, statement, or promise of the other party except as expressly stated herein.
21. **SLA (Service Level Agreement)** The Contractor agrees to a SLA of 95% fill rate per the proposal response as outlined in Exhibit B. This level of service that is expected during the contract term. SLAs are used by vendors and customers as well as internally by DPS HR and their end users. Should the SLA be missed monthly, the Contractor will be responsible for liquidated damages as outlined in Section 6, above. Additionally, should the SLA be missed for three (3) consecutive months, DPSD may terminate this agreement by notifying the Contractor in writing ten (10) days prior to the date of termination.
22. DPSD maintains the highest possible standards of safety for the children entrusted to its care. One element of that safety program is to ensure that all contracted staff which work on District premises are held to the same high standard and pass the same background checks as District employees. Compliance with the following background check standard is a precondition for any contractor to work on District premises:
- A person is deemed to have passed the background check precondition once the following actions have been satisfied: A national search for criminal convictions conducted by a reputable, independent background search firm uncovers full compliance with the Ohio Administrative Code 3301-20-01 and 3301-20-03
- A conviction of any of the above cited offenses while employed on Dayton Public School property will result in a contracted employee being removed at the request of the District. The Contractor agrees to perform a criminal records check at least once every three years for all employees on site.
23. The Contractor hereby indemnifies and agrees to hold the District harmless from any liability or damage resulting from a breach of the background check precondition or subsequent check with respect to any individual contractor who works on District premises. The District hereby indemnifies and agrees to hold the Contractor harmless from any liability or damage resulting from: (i) the exemption of the background check precondition or subsequent check with respect to any student intern under the age of 18; (ii) the intentional misconduct of the District and/or District's employees; and (iii) the District's violation of federal, state and/or local laws, regulations or orders. Contractor hereby indemnifies and agrees to hold the District harmless from any liability or damage resulting from: (i) any worker's compensation claim or any unemployment compensation claim; (ii) the

intentional misconduct of Parallel and/or Parallel's Assignment Employees; and (iii) Parallel's violation of federal, state and/or local laws, regulations or orders.

24. Management Reports: The Contractor agrees to provide customized reports on a quarterly basis with the sub name, dates services were performed, dates services were refused, building locations of services performed or rejected, and the name of the teacher the substitute was covering for.
25. The Contractor's goal is to mirror the District's style and philosophy as it pertains to classroom management, classroom discipline, and communication. Annually, Contractor will train all teachers in harassment, blood borne pathogens, work rules, attendance policies, District policies, Parallel systems, school safety including anti-bullying/individual school policies, discipline, student neglect or abuse, classroom management including lesson plans, grades, and reports, and code of ethics. Further, Contractor will be provided copies of the District's student code of conduct, along with a white paper outlining the District's approach to positive school climate and restorative justice practices.
26. The undersigned parties represent they have full authority to bind their respective principals.

IN WITNESS WHEREOF:

**Parallel Employment Group, Inc.**

  
Tammy Rosenberg, Executive Vice President

12/16/14  
Date

**Dayton City School District Board of Education**

  
Robert C. Walker, President

  
Craig A. Jones, Treasurer

12/16/2014  
Date

**SCHEDULE A**

**Amended Price Proposal  
Parallel Employment Group  
6925 South 6<sup>th</sup> Street, Suite 300  
Oak Creek, WI 53154**

Rate of Pay for Substitute Teachers working 1-30 consecutive days: \$13.00/hour  
Rate of Pay for Substitute Teachers working 31-60 consecutive days: \$16.00/hour

Hourly Rate: \$13.00 x 1.38 markup  
day)

Daily Rate: \$130.06 (assuming 7.25 hour work  
day)

Base Bid = Daily Rate x 50 x 179 school days = \$1,164,082.00

Written as: one million, one hundred sixty four thousand, eighty two dollars and zero cents. The base will be used for evaluation and budgetary purposes and should not be construed as a guaranteed cost. The Dayton Public School District will pay only for services provided.

## Exhibit B

### G) Guarantee Fill Rate

#### PARALLEL PERFORMANCE GUARANTEE

Parallel Education prides itself in maintaining above a 95% fill rate for our schools. We view ourselves as an extension of our schools; therefore, we are fully vested in your success. We do this by providing our customers with Fill Rate Guarantees and Performance Guarantees:

- **FILL RATE GUARANTEE:** 1-point mark up reduction rebate given if monthly fill rates are < 95%.
- **PERFORMANCE GUARANTEE:** If Sub teacher is released from assignment within 4 hours due to poor performance, that assignment reverts to a "PAY NO BILL" status and the school is not charged for the sub teacher.

We realize that each individual school is unique in their own way, not only from a procedural standpoint but also from a cultural standpoint. Our goal is to meet with each school, learn the procedures connected to that school and get a feel of the culture surrounding that school. This allows our dispatchers and recruiters, first hand knowledge of each school and better placement of substitute teachers. Also, our extended hours of operation (Sunday – Friday; 5:30am – 10:00pm) and hands-on approach to dispatching ensures DPS that Parallel will be able to maintain better than a 95% fill rate. While technology is wonderful having live dispatchers funneling calls and personally tracking openings completes the entire process for success!