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**STATE COLLEGE AREA SCHOOL DISTRICT  
ADMINISTRATIVE OFFICES**

131 WEST NITTANY AVENUE • STATE COLLEGE PENNSYLVANIA • 16801-4899  
TELEPHONE: 814-231-1016 • FAX: 814-231-4130

To: Robert O'Donnell  
From: Sandy Emerich/Randy Brown  
Date: October 22, 2013  
Re: Substitute Teacher Service (STS)

Attached is the Agreement between State College Area School District and Substitute Teacher Service (STS). This item is on the October 28, 2013 Board meeting agenda for approval. Various information on STS has been reviewed during the past two Board meetings under information/discussion.

SUBSTITUTE TEACHER SERVICE  
849 N. PROVIDENCE ROAD  
MEDIA, PA 19063

## AGREEMENT

This Agreement is made this 1<sup>st</sup> day of January, 2014 by and between SUBSTITUTE TEACHER SERVICE (hereafter "STS"), a duly registered Pennsylvania corporation with a place of business at 849 N. Providence Road, Media, Pennsylvania, and the STATE COLLEGE AREA SCHOOL DISTRICT (hereafter the "District"), a school district organized pursuant to the laws of the Commonwealth of Pennsylvania and having its administrative office at 131 West Nittany Avenue, State College, Pennsylvania, 16801.

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 and teaching certifications; 2) maintaining all records (including payroll) for the substitute teachers in the pool.

2. 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. STS shall further provide liability insurance against malpractice or improper actions taken by its substitute teachers. STS shall also take actions to ensure the compliance of its substitute teachers with all state, federal or local tax requirements. STS agrees to abide by all state and federal laws and regulations applicable to the employment of substitute

teachers. STS shall indemnify and hold harmless the District for any and all employer income taxes or other employer liabilities.

2a. Indemnification

To the fullest extent permitted by law, STS shall indemnify, defend and hold harmless the District, it's representatives, officers, directors and employees from and against any and all claims for bodily injury, death or damage to property, costs and expenses which arise or are in any way connected with the Work performed, materials furnished, or Services provided under this Agreement by STS or its agents. These indemnity and defense obligations shall apply to any acts or omissions, negligent or willful misconduct of STS its employees or agents, whether active or passive. Said indemnity and defense obligations shall further apply, whether or not said claims arise out of the concurrent act, omission or negligence of the Indemnified Parties. STS shall not be obligated to indemnify or defend the District for claims found to be due to the sole negligence or willful misconduct of Indemnified Parties. Such indemnification obligations shall include, without limitation, the payment of reasonable attorney's fees.

2b. Insurance

Upon execution of this Agreement, and prior to STS commencing any work or services, STS shall carry commercial general liability insurance and the Contractor shall provide the Owner with a Certificate of Insurance naming the District as an Additional Insured. Additional Insured coverage shall apply as primary insurance with respect to any other insurance afforded to the District. The coverage available to the District as Additional Insured, shall not be less than \$1 million Each Occurrence, \$2 million General Aggregate, \$2 million Products/Completed Operations Aggregate, and \$1 million Personal and Advertising Injury limits. Such insurance shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal and advertising injury, and liability assumed under an insured contract. All coverage shall be placed with an insurance company duly admitted in the State of Pennsylvania and shall be reasonably acceptable to the Owner. All STS insurance carriers must maintain an A.M. Best rating of A or better.

Each Certificate of Insurance shall provide that the insurer must give the District at least 30 days' prior written notice of cancellation and termination of the STS coverage there under.

Additionally and prior to commencement of the Work, STS shall provide the District with a Certificate of Insurance showing liability insurance coverage for Workers Compensation, Employers Liability, Automobile Liability and Umbrella Liability. Coverage limits shall be no less than the following:

- a) Workers Compensation and Employers Liability Insurance: As required by law and affording 30 days written notice to the Contractor prior to cancellation or non-

renewal. Limits are to be a minimum of \$100,000. each Accident, \$500,000. Disease policy limit, \$100,000. Disease each Employee.

b) Business Automobile Liability Insurance: Written in the amount of not less than \$1 million Each Accident.

c) Umbrella Liability Insurance: The coverage shall not be less that \$3 million Each Occurrence, \$3 million Aggregate. Such insurance shall provide coverage over and above the stated General and Automobile liability limits.

2c. Waiver of Subrogation

Contractor shall obtain from each of its insurers a waiver of subrogation on Commercial General Liability, Automobile Liability and Workers Compensation policy in favor of the Owner with respect to losses arising out of or in connection with the project. Such Waiver must be indicated on the Certificate of Insurance provided to the District.

3. 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.

4. 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.

5. 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.

5a. The District reserves the right to hire and employ any long-term substitute. In that event, STS shall not charge for the substitute and shall not be responsible for paying for liability, workers' compensation, unemployment or FICA insurance, and shall not be responsible for paying any state or federal employer's taxes or any other costs associated with the employment of that substitute so long as he or she is on the District's payroll.

6. The District agrees that for every substitute teacher who is provided by STS pursuant to this Agreement the following rates will apply.

Substitutes	Substitute Paid		District Billed	
	Full Day	Half Day	Full Day	Half Day
Substitute Teacher – Per Diem	\$90.00	\$45.00	\$118.13	\$59.07
Aide/Paraprofessional – Hourly	\$9.33/hr.		\$12.25/hr.	

7. A half day is the minimum amount due unless the substitute teacher is rejected by the District. STS shall invoice the District twice a month. Payment shall be wired to STS by the Friday following invoice delivery. If payment is not received by the tenth (10<sup>th</sup>) day after the latest week ending invoice date, a 1% late fee will be assessed on all outstanding invoices and service will be interrupted.

8. 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, which costs are respectively 7.65%, 10.65% and 2.0% of each substitute's gross wages. 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.

9. STS shall supply an Overall Efficiency Rating report to the District by the tenth (10<sup>th</sup>) day of each month starting in February 1, 2014. Overall Efficiency Rating is defined as the percentage of vacancies that is filled by substitute teachers supplied by STS. It shall be calculated from February 1, 2014 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 the right to contract substitutes provided by STS.

If STS fails to achieve on Overall Efficiency Rating from January 1, 2014 through June 30, 2015 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.

10. 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  
P.O. Box 37  
Media, PA 19063

District: STATE COLLEGE AREA SCHOOL DISTRICT  
Sandy Emerich, Director of Human Resources  
131 West Nittany Avenue  
State College, PA 16801

11. 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.

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

13. 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.

14. 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.

15. This Agreement may not be assigned.

16. This Agreement is effective from January 1, 2014 through June 30, 2015. This Agreement shall be binding upon the parties hereto, their personal representatives, heirs, assigns and successors. This Agreement may be extended for an additional one-year period, provided both parties agree in writing to do so. Any extension shall be at the same terms and conditions, plus any approved changes.

17. 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.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
STATE COLLEGE AREA SCHOOL DISTRICT