

# EDUCATION MANAGEMENT AND ASSISTANCE CORPORATION

(EdMAC)

## PRODUCT AND SERVICES AGREEMENT

This AGREEMENT shall be effective on July 1, 2012 ("EFFECTIVE DATE"), between the Chancellor of the California Community Colleges, hereinafter referred to as "Chancellor", and the Education Management and Assistance Corporation, hereinafter referred to as "EdMAC". The Chancellor and EdMAC are sometimes referred to herein as a "PARTY" and collectively as the "PARTIES." This AGREEMENT is made with reference to the following facts:

**WHEREAS**, pursuant to Education Code Section 71093 and 84040, California Code of Regulations (CCR) title 5 section 58312, and the authority vested in him by the Board of Governors of the California Community Colleges, the Chancellor delegates to EdMAC, hereinafter referred to as the "Special Trustee", all of the powers and duties necessary to manage the Compton Community College District, hereinafter referred to as "District", including but not limited to all of the powers and duties of the District's Board of Trustees and all of the powers and duties of the District's Personnel Commission, and

**WHEREAS**, EdMAC's President/CEO, Thomas E. Henry is specially trained, experienced and competent to provide the PRODUCTS/SERVICES as the Special Trustee to the District; and

**WHEREAS**, EdMAC has indicated willingness and commitment to provide the PRODUCTS/SERVICES to the District on the terms hereafter set forth in this AGREEMENT.

NOW, THEREFORE, the parties hereto agree as follows:

### ARTICLE I

#### SCOPE OF PRODUCTS/SERVICES TO BE PROVIDED BY EdMAC

1. PRODUCTS/SERVICES TO BE PROVIDED BY EdMAC. The EdMAC shall provide the PRODUCTS/SERVICES to the District on the terms set forth herein. EdMAC agrees to perform the following work for the Chancellor. The PRODUCTS/SERVICES shall be performed at times and places determined by the EdMAC:

- a) Reviewing and monitoring the plans, reports, and other financial material required under CCR title 5 sections 58310 and 58312.
- b) Requiring modifications to the fiscal and educational recovery plans deemed necessary.
- c) Determining District spending levels and priorities to further the District's achievement of fiscal stability.
- d) Approving or disapproving actions of the District which affect or relate to the implementation of the fiscal and educational recovery plans.

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- e) Assume management and control of the district including assumption of the legal rights, powers and duties of the governing board of the District pursuant to Education Code Section 71093 (a).
- f) With the approval of the Chancellor, employ on a short-term basis any staff necessary to assist the Special Trustee.
- g) Monitoring adherence to CCR title 5, section 58311, and Principles of Sound Fiscal Management.
- h) Analyze and suggest a strategy relative to the Accrediting Commission for Community and Junior Colleges (ACCJC) of the Western Association of Schools and Colleges (WASC) in regards to an independent accredited college.
- i) Report regularly to the Chancellor or his designee regarding these products and services.
- j) Decisions requiring prior approval of the Chancellor are within the following categories:
  - Any independent contract agreements with a term longer than one year in duration.
  - Any independent contract exceeding \$78,900.
  - Significant changes in the District's fiscal, curriculum or standards, or changes in policy regarding special education, bilingual education or other special programs.
- k) Assist with the development of a revised Memorandum of Understanding (MOU)/Agreement, between Compton Community College District and El Camino Community College District consistent and compatible with the ACCJC Standards.

### ARTICLE II STUDY TEAM

1. The study team will include the Education Management and Assistance Corporation (EdMAC). EdMAC will assign Thomas E. Henry, President/CEO to perform the products and services of the Special Trustee. The study team may also include other qualified consultants with expertise in specific areas of District operation, if necessary.

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### ARTICLE III

#### EdMAC'S REPRESENTATIONS

1. EdMAC CERTIFICATIONS, REPRESENTATIONS AND WARRANTIES. EdMAC makes the following certifications, representations, and warranties for the benefit of the Chancellor and District, and EdMAC acknowledges and agrees that the Chancellor, in deciding to engage EdMAC pursuant to this AGREEMENT, is relying upon the truth and validity of the following certifications, representations and warranties and their effectiveness throughout the term of this AGREEMENT and the course of EdMAC's engagement hereunder:

a) EdMAC is qualified in all respects to competently provide to the DISTRICT all of the PRODUCTS/SERVICES contemplated by this AGREEMENT and, to the extent required by any applicable laws, EdMAC has all such licenses and/or governmental approvals as would be required to carry out and perform for the benefit of the DISTRICT, such PRODUCTS/SERVICES as are called for hereunder.

b) EdMAC, in providing the PRODUCTS/SERVICES and in otherwise carrying out its obligations to the DISTRICT under this AGREEMENT, shall, at all times, comply with all applicable federal, state, and local laws, rules, regulations, and ordinances, including worker's compensation and non-discrimination laws.

2. CONFLICT OF INTEREST. EdMAC warrants that EdMAC has no business or financial interests which are in conflict with EdMAC's obligations to the DISTRICT under this AGREEMENT and further agrees to disclose any such interest which may be acquired during the term of this AGREEMENT.

3. OTHER EdMAC ASSIGNMENTS. It is understood that EdMAC provides services and products for other educational entities. It is also understood that Thomas E. Henry, President/CEO of EdMAC is currently the Special Trustee at the Lassen Community College District (LCCD) and is the Fiscal Adviser for the Peralta Community College District and that these assignments will not interfere with his assignment as Special Trustee of the Compton Community College District.

### ARTICLE IV

#### TERMS AND CONDITIONS

1. PERIOD OF PERFORMANCE. This Agreement shall commence on July 01, 2012, the Effective Date, and shall terminate on June 30, 2013, unless terminated under the terms of this agreement in Article V.

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### 2. COMPENSATION TO EdMAC.

- a) The District shall pay EdMAC \$16,000.00 per month for its services as Special Trustee, and
- b) District agrees to pay any EdMAC team members at their hourly rate.
- c) It is understood that these expenses are treated as categorical funds by the State Chancellor's office and as such, are not subject to the 50 % calculation.

3. EXPENSES. DISTRICT shall reimburse EdMAC for its reasonable and necessary expenses associated with providing PRODUCTS/SERVICES, including travel (air and rental car), lodging, meals, and any incidentals.

### ARTICLE V TERMINATION

1 This AGREEMENT may be terminated by either party (Chancellor or EdMAC) upon ten (10) days written notice to the other party. The Chancellor also reserves the right to cease making use of EdMAC's services with or without cause at any time.

2. In the event of a termination or notice to cease provision of services by the Chancellor, the DISTRICT shall pay EdMAC for all PRODUCTS/SERVICES performed and all authorized expenses incurred under this AGREEMENT, supported by documentary evidence, and expense reports up until the date of the termination or notice to cease provision of services.

3. Without invalidating the AGREEMENT, the Chancellor may at any time order the EdMAC to suspend all or a portion of the PRODUCTS/SERVICES required under this AGREEMENT. The foregoing provisions are in addition to and not in limitation of any other rights or remedies available to the EdMAC.

### ARTICLE VI DEFENSE AND INDEMNITY

District shall provide legal defense to EdMAC, and each and all of its officers, employees, agents, and consultants, with respect to any and all claims or actions (other than those based solely on alleged intentionally wrongful, malicious or corrupt acts or omissions of EdMAC) initiated by third parties and arising directly from any activity within the scope of work under this agreement. Furthermore, if a judgment is awarded against EdMAC or any of its officers, employees, agents, or consultants, or a claim or action is settled, District shall indemnify EdMAC, its officers, employees, agents, and consultants for any damages or losses incurred by any third parties, other than damages or losses resulting solely from any intentionally wrongful, malicious or corrupt acts or omissions of EdMAC. To invoke the protections of this paragraph, EdMAC shall deliver a copy of any summons or other papers with which it is served, as well as a

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request for representation, to the District within five business days of being served. EdMAC and all of its officers, employees, agents, and consultants shall also cooperate fully with District attorney in the defense of the matter, the defense of any related action against District, and in the prosecution of an appeal, if any.

### ARTICLE VII MISCELLANEOUS

1. FINGERPRINTING REQUIREMENTS. Education Code Section 45125.1 states that if employees of any CONSULTANT providing school site administrative or similar services may have any contact with any underage pupils (younger than 18 years of age), those employees shall be fingerprinted by the Department of Justice (DOJ) before entering the school site to determine that they have not been convicted of a serious or violent felony. If the DISTRICT determines that more than limited contact with students will occur during the performance of these services by EDMAC, EDMAC will not perform PRODUCTS/SERVICES until all employees providing PRODUCTS/SERVICES have been fingerprinted by the DOJ and DOJ fingerprinting clearance certification has been provided to DISTRICT.

a) DISTRICT has determined that EdMAC's services will not result in contact with under age pupils. If contact will be made, EdMAC will obtain fingerprinting clearance for all employees before PRODUCTS/SERVICES can begin and EdMAC will provide a list to the DISTRICT of all employees cleared by DOJ who will provide services under this Agreement. Failure to provide such written certification within sixty (60) days of execution of this Agreement will result in immediate termination of this Agreement.

2. NOTICES. All notices required to be delivered under this AGREEMENT to the other Party must be in writing and shall be effective (i) when personally delivered by the other Party or messenger or courier thereof (ii) three (3) business days after deposit in the United States mail, registered or certified; (iii) twenty-four (24) hours after deposit before the daily deadline time with a reputable overnight courier or service; or (iv) upon receipt of a telecopy or fax transmission, provided a hard copy of such transmission shall be thereafter delivered in one of the methods described in the foregoing (i) through (iii); in each case postage fully prepaid and addressed to the respective Parties as set forth below or to such other address and to such other persons as the Parties may hereafter designate by written notice to the other Parties hereto:

TO DISTRICT:

Compton Community College District  
111 East Artesia Blvd.  
Compton, CA 90221

TO EdMAC:

Education Management and Assistance Corporation  
210 Chapman Lane  
Petaluma, California 94952  
Phone: 707-762-0522

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3. LEGAL STATUS. EdMAC, in the performance of this AGREEMENT, shall be and act as an independent contractor. EdMAC understands and agrees that EdMAC and all of EdMAC's employees shall not be considered officers, employees or agents of the DISTRICT, and are not entitled to benefits of any kind or nature normally provided employees of the DISTRICT and/or to which DISTRICT'S employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. EdMAC assumes the full responsibility for the acts and/or omissions of EdMAC's employees or agents as they relate to the PRODUCTS/SERVICES to be provided under this AGREEMENT. EdMAC shall assume full responsibility for payment of any applicable prevailing wages and all federal, state and local taxes or contributions, including unemployment insurance, social security and income taxes for the respective EdMAC's employees.

The parties stipulate that EdMAC is not being retained to perform academic work for DISTRICT and will not be performing any duties under this agreement that require qualification as an academic administrator or any service as an employee of the DISTRICT. It is specifically not the intent or expectation of the parties that Consultant will be performing "creditable service" under this Agreement for purposes of STRS, as defined in Education Code Section 22119.5.

**Pursuant to Education Code Section 71093 (e), the Special Trustee shall not become an active member of the State Teachers' Retirement System or the Public Employees' Retirement System for the period of his service as Special Trustee since (as demonstrated by his written acceptance of this appointment) he has elected not to become a member of those systems. As a consequence, no contribution to either retirement system shall be made by the District based on the amount the District pays to the Special Trustee for his services.**

Under the provisions of Internal Revenue Services and Franchise Tax Board regulations, the DISTRICT is required to obtain the EdMAC's Social Security Number (SSN) or Tax Identification Number (TIN) as appropriate, and to file Information Returns for payment made by the DISTRICT on Form 1099-NEC on a calendar year basis.

The EdMAC's copy of Form 1099-NEC will be mailed to the address shown in Article VI, 2, of this Agreement. EdMAC's status is that of an individual consultant and his TIN is: 51-0644406.

Nothing contained in this AGREEMENT shall create a contractual relationship with or a cause of action in favor of any third party against either the DISTRICT or EdMAC.

4. The DISTRICT and EdMAC, respectively, bind themselves, their partners, officers, successors, assigns and legal representatives to the other party to this AGREEMENT with respect to the terms of this AGREEMENT. EdMAC shall not assign this AGREEMENT.

5. This AGREEMENT shall be governed by the laws of the State of California.

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6. This AGREEMENT represents the entire AGREEMENT between the DISTRICT and EdMAC and supersedes all prior negotiations, representations or agreements, either written or oral. This AGREEMENT may be amended or modified only by an agreement in writing signed by both the DISTRICT and the EdMAC.

7. Time is of the essence with respect to all provisions of this AGREEMENT.

8. All exhibits referenced herein and attached hereto shall be deemed incorporated into and made a part of this AGREEMENT by each reference as though fully set forth in each instance in the text hereof.

The parties, through their authorized representatives, hereby agree and have executed this AGREEMENT so as to go into effect on July 1, 2012.

EDUCATION MANAGEMENT  
And  
ASSISTANCE CORPORATION

COMPTON COMMUNITY COLLEGE  
DISTRICT /STATE CHANCELLOR

By: Thomas E. Henry

Date: 7/23/12

By: [Signature]

Date: 7/23/12

By: Jack Scott

Date: 6/21/12