

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
LOS ANGELES COUNTY OFFICE OF EDUCATION  
AND THE AGENCY**

This Memorandum of Understanding (“MOU”) is made and entered into as of \_\_\_\_\_ (Date) between the Los Angeles County Office of Education (“LACOE”) and La Canada Unified School District (“District” or “Agency”). LACOE and the District / Agency may be referred to collectively as the “Parties.”

**RECITALS**

**WHEREAS**, the Agency, along with other Los Angeles County school districts, community colleges, charter schools, and joint powers authorities (“JPA”s) currently utilize the Human Resources System (“HRS”) and PeopleSoft Financial System (“PSFS”) and receive services from LACOE for these systems and other peripheral systems; and

**WHEREAS**, the LACOE HRS and PSFS systems are approximately 28 and 17 years old, respectively, are costly to maintain, and must be replaced. These systems are scheduled to be retired by approximately December 2021. This date would allow sufficient time to design, configure, implement, and test by running live parallels on the new systems; and

**WHEREAS**, LACOE is planning to procure, configure, and implement an Enterprise Resource Planning (“ERP”) system, which would provide a comprehensive human capital management (“HCM”) and financial services (“Finance”) for the benefit of LACOE and the Los Angeles County Districts and community colleges who elect to participate in, and contribute to, the total cost of the ERP system; and

**WHEREAS**, LACOE has committed to fund up to forty million dollars (\$40,000,000) on a dollar for dollar match of agency contributions for 50% of the total cost countywide to procure, configure, implement, and support the selected ERP system, which will be implemented pursuant to the Request for Proposals (“RFP”) No. 1563-15/16 for an Integrated Financial & Human Capital Management System and Implementation Services (i.e., the new ERP system) issued by LACOE on February 22, 2016; and

**WHEREAS**, LACOE asks the Agency to commit to continued participation in LACOE’s services as well as to make a pro-rata contribution (based on the Agency’s size and use) to fund the remaining 50% of the total cost to procure, configure, implement, and support the ERP system (HCM and Finance); and

**WHEREAS**, the purpose of this MOU is to memorialize LACOE’s commitment to provide a countywide, fully functioning, integrated ERP system to replace its existing HRS and PSFS systems and the Agency’s contractual commitment to participate in the ERP system and to make payment to LACOE for the Agency’s pro-rata share; and

**WHEREAS**, LACOE will rely on the Agency’s commitment set forth herein to include the Agency in the development and finalization of the contracted scope of work and ERP software licensing with the ERP system provider and the included services; and

**WHEREAS**, the Parties acknowledge and agree that without the Agency's commitment pursuant to the terms and conditions set forth herein prior to November 10, 2016, LACOE will not include the Agency in the scope of this project and the Agency will be required to seek and bear the full cost of its own systems and meet all Federal, State, and Local statutory requirements prior to LACOE decommissioning the current HRS and PSFS by December 2021. The Agency may choose to participate in LACOE systems at a later date; however it will be at full cost of implementation without LACOE's 50% financial commitment.

### **AGREEMENT**

**NOW, THEREFORE**, in consideration of the terms, conditions and mutual covenants contained herein, the sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Agency Costs for Software License, Technical Architecture, and Implementation Services.** There is a one-time software license cost, implementation services, technical architecture, LACOE support, and costs related to the specific expenses necessary to design, configure, test, train, and implement the system for full use by the Agency. Project Implementation costs include those one-time expenses necessary to bring the systems online including but not limited to the software, system design and configuration, data conversion, training and testing system functionality as listed in Exhibit A "ERP Scope" (HCM and Finance).

In consideration of LACOE's commitment to fund up to forty million dollars (\$40,000,000) on a dollar for dollar match of agency contributions for 50% of the total cost of the procurement, configuration, implementation, and support of the ERP system and to ensure that the Agency is included in the scope of such procurement, configuration, implementation, and support, the Agency agrees to pay its pro-rata share of the remaining 50% cost of the ERP system (HCM and Finance). The Agency's current estimated cost for its pro-rata contribution, based on the current participation in LACOE systems, is \$230,515.07. This amount is calculated by using a total charge of \$57.80 per ADA or FTES (community colleges will be charged based on Full-Time Equivalency Students) for the five-year period. On an annual amount, this is \$11.56 per year using 2015-2016 Fiscal Year P-2 ADA. This \$11.56 will be charged on a quarterly basis, \$2.89 per quarter starting in Fiscal Year 2017-18, for a five-year period, for a total of 20 quarters.

The Agency's final pro-rata contribution shall not exceed the estimated cost in the paragraph above and will be provided to the Agency upon confirmation of districts, community colleges, charter schools, and JPAs participation and finalization of the contract between LACOE and the ERP provider. The Agency's final pro-rata share shall also be subject to adjustment based on the final number of Los Angeles area school districts, community colleges, charter schools, and JPAs that commit to participate and contribute to the ERP system, and to contract negotiations.

**Ongoing Agency Contributions After Fiscal Year 2021-22.** Ongoing annual agency charges for the new ERP system will be determined at a future date to be provided in an addendum.

2. **Reliance on Agency's Contribution.** The Agency expressly acknowledges and agrees that LACOE relies on the Agency's contractual commitment set forth herein to make payment of its pro-rata contribution to LACOE. LACOE shall be entitled to rely on this commitment to include the Agency in the scope of the ERP system and to support LACOE's commitment to pay up to forty million dollars (\$40,000,000) on a dollar for dollar match of agency contributions for 50% of the total cost of the procurement, configuration, implementation, and support of the ERP system.
3. **LACOE Commitment.** LACOE shall replace existing systems scheduled to be retired approximately December 2021 by procuring, configuring, and implementing a fully integrated countywide ERP system, which shall include, but not be limited to, the functionality listed in Exhibit A "ERP Scope."
4. **Implementation Timeline.** The tentative BEST Project implementation timeline is as follows:
  - February 2017 – December 2018 – Baseline Financials and HCM Design and Configuration of all participating agencies. This represents approximately 75% of the total design and configuration.
  - October 2017 – December 2020 – Begin phasing Agency specific design and configuration (remaining 25% of the design and configuration).
  - January 2018 – June 2021 – Begin phased Agency grouping, testing, training, deployment, and post go-live support.
5. **Cost Overruns.** LACOE intends to efficiently manage the implementation plan, working with the Agency. In the event that the Agency either delays or fails to timely participate or cooperate in any portion of implementation and the delay results in cost overage or necessitates a change order that results in additional costs, the Agency will bear the entire costs of the change order. In the event that a change order is necessary because of delay or inaction caused by LACOE, LACOE will bear the entire cost of that change order. The Parties will act in good faith to determine responsibility for a change order. If the Parties are jointly responsible for delay that results in additional costs, they shall share responsibility equally.
6. **Remedies.** LACOE recognizes that this is a countywide implementation and as such each participating school district also assumes risk by virtue of entering into this MOU; therefore, if LACOE or its contracted vendor for the ERP system fails to implement the system per the contract, LACOE and the Agency will negotiate an appropriate remedy.
7. **Dispute Resolution/Attorneys' Fees.** The Parties agree to submit to binding arbitration to address any controversy or claim arising out of, or relating to this MOU. The arbitration award shall be binding upon the Parties and shall be enforceable in any court of competent jurisdiction. Both Parties shall share the cost of the dispute resolution process equally although attorneys and witnesses or specialists are the direct responsibility of each party and their fees and expenses shall be the responsibility of the individual parties. Each party shall bear their own attorneys' fees. This MOU shall be governed by the laws of the State of California with venue in Los Angeles County.

**8. Indemnification.**

a. The Agency agrees to defend, indemnify and hold harmless LACOE, its officials, officers, employees and agents from any and all liability from loss, damage, or injury to property or persons, in any manner arising out of any negligent acts, omissions, or willful misconduct of the Agency arising out of or in connection with Agency's performance of this MOU, but excluding such actions, claims, damages to persons or property, penalties, obligations, or liabilities arising from the sole negligence or willful misconduct of the LACOE, and in connection therewith.

b. LACOE agrees to defend, indemnify, and hold harmless the Agency, its officials, officers, employees, and agents from any and all liability from loss, damage, or injury to property or persons, in any manner arising out of any negligent acts, omissions, or willful misconduct of LACOE arising out of or in connection with LACOE's performance of this MOU but excluding such actions, claims, damages to persons or property, penalties, obligations, or liabilities arising from the sole negligence or willful misconduct of the Agency, and in connection therewith.

**9. Term.** This MOU shall be effective as of the date set forth above and continues in effect for five years.

**10. Entire Agreement.** This MOU contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings, or agreements relating to the new ERP system. It does not affect any existing financial systems agreements or impact charges for the existing PSFS and HRS systems. Charges for these systems will continue through December 2021.

**11. Exhibits and Recitals.** All Exhibits and Recitals contained herein are hereby incorporated into this MOU by this reference.

**12. Counterparts.** This MOU may be executed in counterparts, each of which shall constitute an original and all of which shall constitute one agreement.

**13. Authority to Execute.** The persons executing this MOU on behalf of their respective Parties represent and warrant that they have the authority to do so under law and from their respective Parties.

**14. Notices.** Any notice, request, information or other document to be given hereunder to any of the Parties by any other party shall be in writing and shall be deemed given and served upon delivery, if delivered personally, or three (3) days after mailing by United States mail as follows:

If to LACOE: Paul Landry, CPA, CIA, Project Director, BEST Project  
Los Angeles County Office of Education  
9300 Imperial Highway  
Downey, California 90242-2890

If to DISTRICT / AGENCY: The Agency will identify the person to whom notice shall be given.

Any party may change the address or persons to which notices are to be sent to it by giving the written notice that such change of address or persons to the other party in the manner provided for giving notice.

**IN WITNESS WHEREOF**, the parties hereto have executed this MOU as of the day and year first written above.

**LOS ANGELES COUNTY OFFICE OF  
EDUCATION**

**DISTRICT / AGENCY**

By: \_\_\_\_\_  
Dr. Scott Price

By: \_\_\_\_\_

Title: Chief Financial Officer

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Los Angeles County Office of Education  
Business Enhancement System Transformation (BEST) Project  
Agency Charges MOUs  
Exhibit A

Enterprise Resource Planning (ERP) Functionality Scope

Financials (FIN):

- General Ledger
- Accounts Payable
- Purchasing / eProcurement
- Inventory / Bar Coding
- Asset Management / Construction-in-Progress
- Accounts Receivable and Billing
- Budget Development, Modeling, and Multi-Year Projections/Planning
- Reporting
- Employee Self-Service (ESS)
- Manager Self-Service (MSS)
- Transaction Approvals/Workflow
- Ability to Access Information and Approve Transactions with Mobile Devices

Human Capital Management (HCM):

- Recruitment and Applicant Tracking
- Payroll
- Garnishments
- Time & Attendance
- Position Control
- Employee Benefits
- Personnel Actions (e.g., Onboarding, Position Assignments & Changes, and Off-boarding)
- Credentials Tracking
- Leave Management
- CalPERS and CalSTRS Retirement Reporting
- Employee Self-Service (ESS)
- Manager Self-Service (MSS)
- Transaction Approvals/Workflow
- Mobile Technology
- Ability to Access Information and Approve Transactions with Mobile Devices

Business Intelligence (BI):

BI is a reporting repository of FIN and HCM data/information available for analysis, inquiry, and decision-making purposes. BI features include highly scalable, modern architecture, with at-a-glance dashboards and drillable reports.