

CONTRACT
LEARNING MANAGEMENT SYSTEM
RFP# DOE 2014-20

This Agreement ("Agreement") is effective only upon the execution of a State of Delaware Purchase Order and will end on **June 30, 2018**, by and between the State of Delaware, Department of Education, hereafter referred to as DDOE, and **Schoology, Inc.**, hereafter referred to as Schoology.

WHEREAS, DDOE desires to obtain, for Delaware educators and Delaware K-12 students, access to Schoology's proprietary learning management system and secure academic social network more particularly described on Schoology's website located at www.schoology.com and in the Appendices attached to this Agreement (the "Schoology System").

WHEREAS, Schoology desires to provide access to the Schoology System to DDOE along with integration with PDMS and eSchool Plus on the terms set forth below;

WHEREAS, DDOE and Schoology represent and warrant that each party has full right, power and authority to enter into and perform under this Agreement;

FOR AND IN CONSIDERATION OF the premises and mutual agreements herein, DDOE and Schoology agree as follows:

1. Services.

1.1 Schoology shall perform for DDOE the services specified in the Appendices to this Agreement, attached hereto and made a part hereof, including access to the Schoology System along with integration with PDMS and eSchool Plus (the "services").

1.2 Any conflict or inconsistency between the provisions of the following documents shall be resolved by giving precedence to such documents in the following order: (a) this Agreement (including any amendments or modifications thereto), (b) Appendix A – Statement of Work; (c) DDOE's request for proposals, attached hereto as **Appendix B**, and (c) Schoology's response to the request for proposals, attached hereto as **Appendix C** along with clarifications. The aforementioned documents are specifically incorporated into this Agreement and made a part hereof.

1.3 DDOE may, at any time, by written order, make changes in the scope of this Agreement and in the services or work to be performed. No services for which

additional compensation may be charged by Schoology shall be furnished without the written authorization of DDOE. When DDOE desires any addition or deletion to the deliverables or a change in the Services to be provided under this Agreement, it shall notify Schoology, who shall then submit to DDOE a "Change Order" for approval authorizing said change. The Change Order shall state whether the change shall cause an alteration in the price or the time required by Schoology for any aspect of its performance under this Agreement. Pricing of changes shall be consistent with those established within this Agreement.

1.4 Schoology will not be required to make changes to its scope of work that result in Schoology's costs exceeding the current unencumbered budgeted appropriations for the services. Any claim of either party for an adjustment under Section 1 of this Agreement shall be asserted in the manner specified in the writing that authorizes the adjustment.

2. Payment for Services and Expenses.

2.1 The term of the initial contract shall be from the execution of this agreement and a State of Delaware Purchase Order through June 30, 2018.

2.2 DDOE will pay Schoology for the performance of services described in **Appendix A, Statement of Work**. The fee will be paid in accordance with the payment schedule attached hereto as part of Appendix A and Schoology's Best and Final Offer in Appendix C.

2.3 DDOE's obligation to pay Schoology for the performance of services described in Appendix A, Statement of Work will not exceed the fixed fee amount of \$400,000.00. It is expressly understood that the work defined in the appendices to this Agreement must be completed by Schoology and it shall be Schoology's responsibility to ensure that hours and tasks are properly budgeted so that all services are completed for the agreed upon fixed fee. DDOE's total liability for all charges for services that may become due under this Agreement is limited to the total maximum expenditure(s) authorized in DDOE's purchase order(s) to Schoology.

2.4 Schoology shall submit monthly invoices to DDOE in sufficient detail to support the services provided during the previous month. DDOE agrees to pay those invoices within thirty (30) days of receipt. In the event DDOE disputes a portion of an invoice, DDOE agrees to pay the undisputed portion of the invoice within thirty (30) days of receipt and to provide Schoology a detailed statement of DDOE's position on the disputed portion of the invoice within thirty (30) days

of receipt. DDOE's failure to pay any amount of an invoice that is not the subject of a good-faith dispute within thirty (30) days of receipt shall entitle Schoology to charge interest on the overdue portion at no more than 1.0% per month or 12% per annum. All payments should be sent to **Schoology, Inc., 115 W. 30th St., 10th Floor, New York, NY 10001.**

2.5 Unless provided otherwise in an Appendix, all expenses incurred in the performance of the services are to be paid by Schoology. If an Appendix specifically provides for expense reimbursement, Schoology shall be reimbursed only for reasonable expenses incurred by Schoology in the performance of the services, including, but not necessarily limited to, travel and lodging expenses, communications charges, and computer time and supplies.

2.6 DDOE is a sovereign entity, and shall not be liable for the payment of federal, state and local sales, use and excise taxes, including any interest and penalties from any related deficiency, which may become due and payable as a consequence of this Agreement.

2.7 DDOE shall subtract from any payment made to Schoology all damages, costs and expenses caused by Schoology's negligence, resulting from or arising out of errors or omissions in Schoology's work products, which have not been previously paid to Schoology.

2.8 Invoices shall reference the **RFP# DOE 2014-20 Learning Management System** and shall be submitted to:

**Dr. Wayne Hartschuh
Delaware Center for Educational Technology
Delaware Department of Education
401 Federal Street, Suite #2
Dover, DE 19901-3639**

3. Responsibilities of Schoology.

3.1 Schoology shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all services furnished by Schoology, its subcontractors and its and their principals, officers, employees and agents under this Agreement. In performing the specified services, Schoology shall follow practices consistent with generally accepted professional and technical standards. Schoology shall be responsible for ensuring that all services, products and deliverables furnished pursuant to this Agreement

comply with the standards promulgated by the Department of Technology and Information ("DTI") published at <http://dti.delaware.gov/>, and as modified from time to time by DTI during the term of this Agreement. If any service, product or deliverable furnished pursuant to this Agreement does not conform with DTI standards, Schoology shall, at its expense and option either (1) replace it with a conforming equivalent or (2) modify it to conform with DTI standards. Schoology shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to DDOE caused by Schoology's failure to ensure compliance with DTI standards.

3.2 It shall be the duty of the Schoology to assure that all products of its effort are technically sound and in conformance with all pertinent Federal, State and Local statutes, codes, ordinances, resolutions and other regulations. Schoology will not produce a work product that violates or infringes on any copyright or patent rights. Schoology shall, without additional compensation, correct or revise any errors or omissions in its work products.

3.3 Permitted or required approval by DDOE of any products or services furnished by Schoology shall not in any way relieve Schoology of responsibility for the professional and technical accuracy and adequacy of its work. DDOE's review, approval, acceptance, or payment for any of Schoology's services herein shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and Schoology shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to DDOE caused by Schoology's performance or failure to perform under this Agreement.

3.4 Schoology shall appoint a Project Manager who will manage the performance of services. All of the services specified by this Agreement shall be performed by the Project Manager, or by Schoology's associates and employees under the supervision of the Project Manager. The Project Manager shall be:

Lindsay Kapsa

3.5 As applicable, designation of persons for each position is subject to review and approval by DDOE. Should the staff need to be diverted off the project for what are now unforeseeable circumstances, Schoology will notify DDOE immediately and work out a transition plan that is acceptable to both parties, as well as agree to an acceptable replacement plan to fill or complete the work assigned to this project staff position. Replacement staff persons are subject to review and approval by DDOE. If Schoology fails to make a required replacement

within 30 days, DDOE may terminate this Agreement for default. Upon receipt of written notice from DDOE that an employee of Schoology is unsuitable to DDOE for good cause, Schoology shall remove such employee from the performance of services and substitute in his/her place a suitable employee.

3.6 Schoology shall furnish to DDOE's designated representative copies of all correspondence to regulatory agencies for review prior to mailing such correspondence, but only to the extent (a) such correspondence relates to this Agreement; and (b) such prior disclosure to DDOE is permitted under applicable law.

3.7 Schoology agrees that its officers and employees will cooperate with DDOE in the performance of services under this Agreement and will be available for consultation with DDOE at such reasonable times with advance notice as to not conflict with their other responsibilities.

3.8 Schoology has or will retain such employees as it may need to perform the services required by this Agreement. Such employees shall not be employed by the State of Delaware or any other political subdivision of the State.

3.9 Schoology will not use DDOE's name, either express or implied, in any of its advertising or sales materials without DDOE's express written consent.

3.10 The rights and remedies of DDOE provided for in this Agreement are in addition to any other rights and remedies provided by law.

4. Time Schedule.

4.1 A project schedule is included in **Appendix A**.

4.2 Any delay of services or change in sequence of tasks must be approved in writing by DDOE.

4.3 In the event that Schoology fails to complete the project or any phase thereof within the time specified in the Contract, or with such additional time as may be granted in writing by DDOE, or fails to prosecute the work, or any separable part thereof, with such diligence as will insure its completion within the time specified in this Agreement or any extensions thereof, DDOE shall suspend the payments scheduled as set forth in Appendix A.

5. State Responsibilities.

5.1 In connection with Schoology's provision of the Services, DDOE shall perform those tasks and fulfill those responsibilities specified in the appropriate Appendices.

5.2 DDOE agrees that its officers and employees will cooperate with Schoology in the performance of services under this Agreement and will be available for consultation with Schoology at such reasonable times with advance notice as to not conflict with their other responsibilities.

5.3 The services performed by Schoology under this Agreement shall be subject to review for compliance with the terms of this Agreement by DDOE's designated representatives. DDOE representatives may delegate any or all responsibilities under the Agreement to appropriate staff members, and shall so inform Schoology by written notice before the effective date of each such delegation.

5.4 The review comments of DDOE's designated representatives may be reported in writing as needed to Schoology. It is understood that DDOE's representatives' review comments do not relieve Schoology from the responsibility for the professional and technical accuracy of all work delivered under this Agreement.

5.5 DDOE shall, without charge, furnish to or make available for examination or use by Schoology as it may request, any data which DDOE has available, including as examples only and not as a limitation:

- a. Copies of reports, surveys, records, and other pertinent documents;
- b. Copies of previously prepared reports, job specifications, surveys, records, ordinances, codes, regulations, other document, and information related to the services specified by this Agreement.

Schoology shall return any original data provided by DDOE.

5.6 DDOE shall assist Schoology in obtaining data on documents from public officers or agencies and from private citizens and business firms whenever such material is necessary for the completion of the services specified by this Agreement.

5.7 Schoology will not be responsible for accuracy of information or data supplied by DDOE or other sources to the extent such information or data would be relied upon by a reasonably prudent contractor.

5.8 DDOE agrees not to use Schoology's name or trademarks, either express or implied, in any of its advertising or sales materials. Schoology reserves the right to reuse the nonproprietary data and the analysis of industry-related information in its continuing analysis of the industries covered. The Schoology System is owned and copyrighted by Schoology and offered through a subscription, not sold, to DDOE. All right, title and interest in and to all images, source code, updates, enhancements, modifications and improvements contained in or related to the Schoology System, along with all intellectual property rights related thereto, shall remain with Schoology, regardless of the source giving rise to the intellectual property and despite any modifications or adaptations made for the benefit of DDOE. Schoology reserves all rights not expressly granted in this Agreement. The "Schoology" trademark is protected by United States and international trademark laws and treaties, as well as other intellectual property laws.

6. Work Product.

6.1 All materials, information, documents, and reports, whether finished, unfinished, or draft, developed, prepared, completed, or acquired by Schoology for DDOE relating to the services to be performed hereunder shall become the property of DDOE and shall be delivered to DDOE's designated representative upon completion or termination of this Agreement, whichever comes first. Schoology shall not be liable for damages, claims, and losses arising out of any reuse of any work products on any other project conducted by DDOE. DDOE shall have the right to reproduce all documentation supplied pursuant to this Agreement.

6.2 Schoology retains all title and interest to the data it furnished and/or generated pursuant to this Agreement. Retention of such title and interest does not conflict with DDOE's rights to the materials, information and documents developed in performing the project. Upon final payment, DDOE shall have a perpetual, nontransferable, non-exclusive paid-up right and license to use, copy, modify and prepare derivative works of all materials in which Schoology retains title, whether individually by Schoology or jointly with DDOE. Any and all source code developed in connection with the services provided will be provided to DDOE, and the aforementioned right and license shall apply to source code. The parties will cooperate with each other and execute such other documents as may be reasonably deemed necessary to achieve the objectives of this Section.

6.3 In no event shall Schoology be precluded from developing for itself, or for others, materials that are competitive with the Deliverables, irrespective of their similarity to the Deliverables. In addition, Schoology shall be free to use its general knowledge, skills and experience, and any ideas, concepts, know-how, and techniques within the scope of its consulting practice that are used in the course of providing the services.

6.4 Notwithstanding anything to the contrary contained herein or in any attachment hereto, any and all intellectual property or other proprietary data owned by Schoology prior to the effective date of this Agreement ("Preexisting Information") shall remain the exclusive property of Schoology even if such Preexisting Information is embedded or otherwise incorporated into materials or products first produced as a result of this Agreement or used to develop such materials or products. DDOE's rights under this section shall not apply to any Preexisting Information or any component thereof regardless of form or media.

7. Confidential Information.

To the extent permissible under 29 *Del. C.* § 10001, et seq., the parties to this Agreement shall preserve in strict confidence any information, reports or documents obtained, assembled or prepared in connection with the performance of this Agreement.

8. Warranty

8.1 Schoology warrants that its services will be performed in a good and workmanlike manner. Schoology agrees to re-perform any work not in compliance with this warranty brought to its attention within a reasonable time after that work is performed.

8.2 As applicable, third-party products within the scope of this Agreement are warranted solely under the terms and conditions of the licenses or other agreements by which such products are governed. With respect to all third-party products and services purchased by Schoology for DDOE in connection with the provision of the Services, Schoology shall pass through or assign to DDOE the rights Schoology obtains from the manufacturers and/or vendors of such products and services (including warranty and indemnification rights), all to the extent that such rights are assignable.

8.3 Schoology may, from time to time, provide to DDOE updates, enhancements, modifications, improvements in and to the Schoology System

which shall all be subject to the terms and conditions of this Agreement. Schoology has system maintenance periods throughout the year that will affect DDOE's ability to interact with the Schoology System. Schoology will use commercially reasonable efforts to notify DDOE in advance of any disruptions.

8.3 EXCEPT FOR THE EXPRESS LIMITED WARRANTIES PROVIDED IN THIS SECTION 8, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE SCHOOLGY SYSTEM IS PROVIDED "AS-IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR USE, QUALITY, PRODUCTIVENESS OR CAPACITY, OR THAT THE OPERATION OF THE SOFTWARE INCLUDED WITHIN THE SCHOOLGY SYSTEM WILL BE ERROR FREE. EXCEPT AS PROVIDED HEREIN, THE ENTIRE RISK AND LIABILITY ARISING OUT OF THE USE OF THE SCHOOLGY SYSTEM REMAINS WITH DDOE, INCLUDING, BUT NOT LIMITED TO, WHEN DDOE'S PRACTICES ARE INCONSISTENT WITH THE STANDARDS FOR EDUCATIONAL AND PSYCHOLOGICAL TESTING (1999) BY THE AMERICAN EDUCATIONAL RESEARCH ASSOCIATION. THERE IS NO WARRANTY FOR PERFORMANCE ISSUES (A) CAUSED BY FACTORS OUTSIDE OF SCHOOLGY'S REASONABLE CONTROL; OR (B) THAT RESULTED FROM ANY ACTION OR INACTION OF DDOE OR DDOE'S EMPLOYEES, AGENTS OR REPRESENTATIVES; OR (C) RESULTING FROM SCHEDULED MAINTENANCE PERIODS. SCHOOLGY DOES NOT AND CANNOT CONTROL PERFORMANCE OF THE SCHOOLGY SYSTEM BASED ON THE FLOW OF DATA TO OR FROM SCHOOLGY'S NETWORK AND OTHER PORTIONS OF THE INTERNET, WHICH DEPENDS IN LARGE PART ON THE PERFORMANCE OF INTERNET SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES.

9. Indemnification; Limitation of Liability.

9.1 Schoology shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of (A) the negligence or other wrongful conduct of the Schoology, its agents or employees, or (B) Schoology's breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) Schoology shall have been notified promptly in writing by DDOE of any notice of such claim; and (ii) Schoology shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

9.2 If DDOE promptly notifies Schoology in writing of a third party claim against DDOE that any Deliverable infringes a copyright or a trade secret of any third

party, Schoology will defend such claim at its expense and will pay any costs or damages that may be finally awarded against DDOE. Schoology will not indemnify DDOE, however, if the claim of infringement is caused by (1) DDOE's misuse or modification of the Deliverable; (2) DDOE's failure to use corrections or enhancements made available by Schoology; (3) DDOE's use of the Deliverable in combination with any product or information not owned or developed by Schoology; (4) DDOE's distribution, marketing or use for the benefit of third parties of the Deliverable or (5) information, direction, specification or materials provided by Client or any third party. If any Deliverable is, or in Schoology's opinion is likely to be, held to be infringing, Schoology shall at its expense and option either (a) procure the right for DDOE to continue using it, (b) replace it with a noninfringing equivalent, (c) modify it to make it noninfringing. The foregoing remedies constitute DDOE's sole and exclusive remedies and Schoology's entire liability with respect to infringement.

9.3 DDOE agrees that Schoology' total liability to DDOE for any and all damages whatsoever arising out of or in any way related to this Agreement from any cause, including but not limited to contract liability or Schoology negligence, errors, omissions, strict liability, breach of contract or breach of warranty shall not, in the aggregate, exceed fees paid to Schoology.

In no event shall Schoology be liable for special, indirect, incidental, economic, consequential or punitive damages, including but not limited to lost revenue, lost profits, replacement goods, loss of technology rights or services, loss of data, or interruption or loss of use of software or any portion thereof regardless of the legal theory under which such damages are sought, and even if Schoology has been advised of the likelihood of such damages.

10. Employees.

10.1 Schoology has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Schoology in the performance of the services hereunder; provided, however, that it will, subject to scheduling and staffing considerations, attempt to honor DDOE's request for specific individuals.

10.2 Except as the other party expressly authorizes in writing in advance, neither party shall solicit, offer work to, employ, or contract with, whether as a partner, employee or independent contractor, directly or indirectly, any of the other party's Personnel during their participation in the services or during the twelve (12) months thereafter. For purposes of this Section 10.2, "Personnel" includes any individual or company a party employs as a partner, employee or

independent contractor and with which a party comes into direct contact in the course of the services.

10.3 Possession of a Security Clearance, as issued by the Delaware Department of Public Safety, may be required of any employee of Schoology who will be assigned to this project.

11. Independent Contractor.

11.1 It is understood that in the performance of the services herein provided for, Schoology shall be, and is, an independent contractor, and is not an agent or employee of DDOE and shall furnish such services in its own manner and method except as required by this Agreement. Schoology shall be solely responsible for, and shall indemnify, defend and save DDOE harmless from all matters relating to the payment of its employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

11.2 Schoology acknowledges that Schoology and any subcontractors, agents or employees employed by Schoology shall not, under any circumstances, be considered employees of DDOE, and that they shall not be entitled to any of the benefits or rights afforded employees of DDOE, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits. DDOE will not provide or pay for any liability or medical insurance, retirement contributions or any other benefits for or on behalf of DDOE or any of its officers, employees or other agents.

11.3 Schoology shall be responsible for providing liability insurance for its personnel.

11.4 As an independent contractor, Schoology has no authority to bind or commit DDOE. Nothing herein shall be deemed or construed to create a joint venture, partnership, fiduciary or agency relationship between the parties for any purpose.

12. Suspension.

12.1 DDOE may suspend performance by Schoology under this Agreement for such period of time as DDOE, at its sole discretion, may prescribe by providing written notice to Schoology at least 30 working days prior to the date on which DDOE wishes to suspend. Upon such suspension, DDOE shall pay Schoology its

compensation, based on the percentage of the project completed and earned until the effective date of suspension, less all previous payments. Schoology shall not perform further work under this Agreement after the effective date of suspension. Schoology shall not perform further work under this Agreement after the effective date of suspension until receipt of written notice from DDOE to resume performance.

12.2 In the event DDOE suspends performance by Schoology for any cause other than the error or omission of the Schoology, for an aggregate period in excess of 30 days, Schoology shall be entitled to an equitable adjustment of the compensation payable to Schoology under this Agreement to reimburse Schoology for additional costs occasioned as a result of such suspension of performance by DDOE based on appropriated funds and approval by DDOE.

13. Termination.

13.1 This Agreement may be terminated in whole or in part by either party in the event of substantial failure of the other party to fulfill its obligations under this Agreement through no fault of the terminating party; but only after the other party is given:

- a. Not less than 30 calendar days written notice of intent to terminate; and
- b. An opportunity for consultation with the terminating party prior to termination.

13.2 This Agreement may be terminated in whole or in part by DDOE for its convenience, but only after Schoology is given:

- a. Not less than 30 calendar days written notice of intent to terminate; and
- b. An opportunity for consultation with DDOE prior to termination.

13.3 If termination for default is effected by DDOE, DDOE will pay Schoology that portion of the compensation which has been earned as of the effective date of termination but:

- a. No amount shall be allowed for anticipated profit on performed or unperformed services or other work, and
- b. Any payment due to Schoology at the time of termination may be adjusted to the extent of any additional costs occasioned to DDOE by reason of Schoology's default.

- c. Upon termination for default, DDOE may take over the work and prosecute the same to completion by agreement with another party or otherwise. In the event Schoology shall cease conducting business, DDOE shall have the right to make an unsolicited offer of employment to any employees of Schoology assigned to the performance of the Agreement, notwithstanding the provisions of Section 10.2.

13.4 If after termination for failure of Schoology to fulfill contractual obligations it is determined that Schoology has not so failed, the termination shall be deemed to have been effected for the convenience of DDOE.

13.5 The rights and remedies of DDOE and Schoology provided in this section are in addition to any other rights and remedies provided by law or under this Agreement.

13.6 Gratuities.

13.6.1 DDOE may, by written notice to Schoology, terminate this Agreement if it is found after notice and hearing by DDOE that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Schoology or any agent or representative of Schoology to any officer or employee of DDOE with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending or making of any determinations with respect to the performance of this Agreement.

13.6.2 In the event this Agreement is terminated as provided in 13.6.1 hereof, DDOE shall be entitled to pursue the same remedies against Schoology it could pursue in the event of a breach of this Agreement by Schoology.

13.6.3 The rights and remedies of DDOE provided in Section 13.6 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

14. Severability.

If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the

court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

15. Assignment; Subcontracts.

15.1 Any attempt by Schoology to assign or otherwise transfer any interest in this Agreement without the prior written consent of DDOE shall be void. Such consent shall not be unreasonably withheld.

15.2 Services specified by this Agreement shall not be subcontracted by Schoology, without prior written approval of DDOE.

15.3 Approval by DDOE of Schoology's request to subcontract or acceptance of or payment for subcontracted work by DDOE shall not in any way relieve Schoology of responsibility for the professional and technical accuracy and adequacy of the work. All subcontractors shall adhere to all applicable provisions of this Agreement.

15.4 Schoology shall be and remain liable for all damages to DDOE caused by negligent performance or non-performance of work under this Agreement by Schoology, its subcontractor or its sub-subcontractor.

15.5 The compensation due shall not be affected by DDOE's approval of the Schoology's request to subcontract.

16. Force Majeure.

Neither party shall be liable for any delays or failures in performance due to circumstances beyond its reasonable control.

17. Non-Appropriation of Funds.

17.1 Validity and enforcement of this Agreement is subject to appropriations by the General Assembly of the specific funds necessary for contract performance. Should such funds not be so appropriated DDOE may immediately terminate this Agreement, and absent such action this Agreement shall be terminated as to any obligation of the State requiring the expenditure of money for which no specific appropriation is available, at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds.

17.2 Notwithstanding any other provisions of this Agreement, this Agreement shall terminate and DDOE's obligations under it shall be extinguished at the end of the fiscal year in which the State of Delaware fails to appropriate monies for the ensuing fiscal year sufficient for the payment of all amounts which will then become due.

18. State of Delaware Business License.

Schoology and all subcontractors represent that they are properly licensed and authorized to transact business in the State of Delaware as provided in 30 *Del. C.* § 2301.

19. Complete Agreement.

19.1 This agreement and its Appendices shall constitute the entire agreement between DDOE and Schoology with respect to the subject matter of this Agreement and shall not be modified or changed without the express written consent of the parties. The provisions of this agreement supersede all prior oral and written quotations, communications, agreements and understandings of the parties with respect to the subject matter of this Agreement.

19.2 If the scope of any provision of this Agreement is too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the Agreement shall not thereby fail, but the scope of such provision shall be curtailed only to the extent necessary to conform to the law.

19.3 Schoology may not order any product requiring a purchase order prior to DDOE's issuance of such order. Each Appendix, except as its terms otherwise expressly provide, shall be a complete statement of its subject matter and shall supplement and modify the terms and conditions of this Agreement for the purposes of that engagement only. No other agreements, representations, warranties or other matters, whether oral or written, shall be deemed to bind the parties hereto with respect to the subject matter hereof.

20. Miscellaneous Provisions.

20.1 In performance of this Agreement, Schoology shall comply with all applicable federal, state and local laws, ordinances, codes and regulations. Schoology shall solely bear the costs of permits and other relevant costs required in the performance of this Agreement.

20.2 Neither this Agreement nor any appendix may be modified or amended except by the mutual written agreement of the parties. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against which it is sought to be enforced.

20.3 The delay or failure by either party to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of that party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

20.4 Schoology covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Schoology further covenants, to its knowledge and ability, that in the performance of said services no person having any such interest shall be employed.

20.5 Schoology acknowledges that DDOE has an obligation to ensure that public funds are not used to subsidize private discrimination. Schoology recognizes that if they refuse to hire or do business with an individual or company due to reasons of race, color, gender, ethnicity, disability, national origin, age, or any other protected status, DDOE may declare Schoology in breach of the Agreement, terminate the Agreement, and designate Schoology as non-responsible.

20.6 Schoology warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, or a percentage, brokerage or contingent fee. For breach or violation of this warranty, DDOE shall have the right to annul this contract without liability or at its discretion deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

20.7 This Agreement was drafted with the joint participation of both parties and shall be construed neither against nor in favor of either, but rather in accordance with the fair meaning thereof.

20.8 Schoology shall maintain all public records, as defined by 29 *Del. C.* § 502(7), relating to this Agreement and its deliverables for the time and in the manner specified by the Delaware Division of Archives, pursuant to the Delaware

Public Records Law, 29 Del. C. Ch. 5. During the term of this Agreement, authorized representatives of DDOE may inspect or audit Schoology's performance and records pertaining to this Agreement at the Schoology business office during normal business hours.

20.9 The parties do not intend to confer any right or remedy on any third party.

21. Insurance.

21.1 Schoology shall maintain the following insurance during the term of this Agreement:

- A. Worker's Compensation and Employer's Liability Insurance in accordance with applicable law, **and**
- B. Comprehensive General Liability - \$1,000,000.00 per person/\$3,000,000 per occurrence, **and**
- C. Medical/Professional Liability - \$1,000,000.00 per person/\$3,000,000 per occurrence; **or**
- D. Miscellaneous Errors and Omissions - \$1,000,000.00 per person/\$3,000,000 per occurrence, **or**
- E. Automotive Liability Insurance covering all automotive units used in the work with limits of not less than \$100,000 each person and \$300,000 each accident as to bodily injury and \$25,000 as to property damage to others.

21.2. Schoology shall provide forty-five (45) days written notice of cancellation or material change of any policies.

21.3. Before any work is done pursuant to this Agreement, the Certificate of Insurance and/or copies of the insurance policies, referencing the contract number stated herein, shall be filed with the State. The certificate holder is as follows:

Delaware Department of Education
401 Federal Street, Suite 2
Dover, DE 19901

21.4. In no event shall the State of Delaware be named as an additional insured on any policy required under this agreement.

22. Assignment of Antitrust Claims.

As consideration for the award and execution of this contract by the State, Schoology hereby grants, conveys, sells, assigns, and transfers to DDOE all of its right, title and interest in and to all known or unknown causes of action it presently has or may now or hereafter acquire under the antitrust laws of the United States and the State of Delaware, relating to the particular goods or services purchased or acquired by the State pursuant to this contract.

23. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, except where Federal Law has precedence. Schoology consents to jurisdiction venue in the State of Delaware.

24. Notices.

Any and all notices required by the provisions of this Agreement shall be in writing and shall be mailed, certified or registered mail, return receipt requested. All notices shall be sent to the following addresses:

CONTRACTOR: (Contractor Name and Address)

DDOE: Karen Field Rogers
Associate Secretary, Financial Reform & Resource Mgmt.
Delaware Department of Education
John G. Townsend Building
401 Federal Street, Suite 2
Dover, DE 19901
Phone No. (302) 735-4040
Fax No. (302) 739-7768

DOE Certificated Staff coordinating activity:
Dr. Wayne Hartschuh

Next Page for Signatures.

IN WITNESS THEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date and year first above written.

Schoology, Inc. *[Signature]*
Original on File

(Official of Contractor)
Project Manager

1/22/15
Date

Original on File

(Official of Contractor)
Principal Investigator

1/22/2015
Date

Delaware Department of Education
Original on File

[Signature]
Karen Field Rogers
Associate Secretary, Financial Reform &
Resource Management

1/21/15 **Original on File**
Date *[Signature]* Initial Finance Director

Original on File

Michael Watson
Branch Associate Secretary

1/20/15 **Original on File**
Date *[Signature]* Initial Work Group
Director

Appendix A

Statement of Work

APPENDIX A. STATEMENT OF WORK

The Delaware Department of Education (DDOE) and Schoology, Inc. will implement and integrate the Schoology Learning Management System (Schoology LMS) to deliver online professional development to Delaware educators and online/blended learning to Delaware K-12 students as outlined in RFP # DOE 2014-20. The Schoology LMS will provide a hosted software platform (Software as a Service) for providing online professional development to faculty/staff and online course content to K-12 students, and in the case of professional development, teachers/educators in a student role. Schoology agrees to comply with the standards (particularly the Cloud and Offsite Hosting Policy) promulgated by the Delaware Department of Technology and Information.

The Schoology LMS will be integrated with the existing professional development management system (PDMS / TrueNorthLogic), student information system (eSchoolPlus / SunGard), and single sign-on system (IMS / Microsoft Forefront – for faculty/staff) being used by the DDOE for the purposes of creating user accounts, creating classes, copying classes, managing instructor assignments, managing student enrollments, and managing grades for K12 students and course completion status for professional development. In the future, if DDOE migrates to a different professional development management system, student information system, or single sign-on system, Schoology will commit to working with DDOE to efficiently setup the integrations with the new system(s) at a cost negotiated with DDOE.

As outlined in the RFP, administratively, the user accounts will be created and courses will be created and copied through the integrations with PDMS and eSchoolPlus. The Schoology LMS will differentiate between individual LEAs/organizations identified in the state systems so each LEA/organization can have its own look and feel, if desired, and LEA/organization system administrators only have access to user accounts and courses associated with that LEA/organization. Not all LEA/organizations will be ready to implement the LMS with students at the initial startup, but all LEA/organizations need to be setup in the initial implementation so when the LEA/organization is ready to bring on students, the system is already setup and ready to implement. In future years, if a new LEA comes into existence, a Schoology LMS instance will be created under the statewide umbrella like all other LEA instances at no cost to the DDOE or LEA. Statewide system administrators will have access to all instances, individually and as a whole, so statewide snapshots of users and courses can be conducted.

Upon implementation by an LEA, the expectation is that Schoology will work with the individual LEA to determine the scope of professional development needs for educators. Since implementation services have been done at the state level, any training of LEA system administrators first and foremost need to establish that the integrations with PDMS and eSchool have been established to handle imports and exports and need to be understood thoroughly. Therefore, the managing of users and courses is essentially done through the integration and not manually so a strong relationship between the Schoology system administrator and the eSchool administrator is essential. The system administrator's main role will be system settings, such as, look and feel and new course creation. The training should give the system administrator the knowledge to make modifications in Schoology when necessary (outside the integration) allowing them to take ownership of the solution being implemented. Any

training determined to be needed at the LEA level is at the LEA cost not to exceed the prices associated with the services from the rate table in the Best and Final offer.

Schoology commits to maintaining compliance with the current industry standards. At the time of contract execution, current industry standards include, SCORM, Common Cartridge, and IMS Global. In the future, as industry standards evolve, Schoology commits to staying current with compliance.

The DDOE anticipates two initial phases of the project:

- (1) Schoology LMS setup of the state system with the creation of all LEA instances, development of real time integration between PDMS and Schoology and between eSchool Plus and Schoology, training of state system administrators, and migration of existing content and/or re-development of content to be conducted between execution of the contract and May 31, 2015; and
- (2) implementation of the Schoology LMS for a minimum of 39,000 students and 15,000 educators beginning July 1, 2015. The system setup and all integrations will be completed by May 31, 2015 to provide sufficient time for testing and system administrator training in preparation for the official launch of the LMS on July 1, 2015.

A purchase order for the system setup and integrations (per Best and Final: \$30,000 for eSchool integration and \$34,000 for PDMS integration) will be issued immediately upon contract execution. This PO will be payable upon completion and successful implementation by May 31, 2015.

DDOE will determine the number of students that will be using the system beginning July 1 based on the official student enrollment of the participating schools from the previous September 30 count which also could be a subset of the students, such as, only 5th graders. The DDOE will provide, each year the contract is in place, the number of students that will be using the system beginning on July 1 to Schoology by June 15. Schoology will invoice DDOE after July 1 for that number of students at the price outlined in the best and final offer. In the event that a school or school district wants to add students after July 1, the increased cost will be pro-rated according to the start date for those students and invoiced on the start date.

Best and Final Pricing

Schoolology Learning Management System Delaware Department of Education Statewide Pricing

I. Schoolology Enterprise Subscription Annually Recurring Rate: **\$ 3.33 per student**

- Minimum 30,000 students
- All non-student users (e.g. staff, parents, etc.) are included at no additional cost
- Includes live admin support as described in proposal, 8AM-8PM
- Should DDOE commit 39,000 students at \$3.33 by 12-21-2014, Schoolology will extend the offer of \$3.00 per student with a 100,000 student commitment by 7-1-2016.

*Note: The subscription period for the 39,000 student commitment starts 7-1-2015 and will be invoiced 7-1-2015

II. Schoolology Statewide Implementation Services: **\$ 30,000**

- Initial Setup and Consultation:
 - Establish all School District/LEA Instances ("Sub-Sessions")
 - SunGard eSchoolPlus Schoolology Configuration
 - Statewide Single Sign-On Configuration with DTI
 - Custom branding (logo and color scheme) for each district within the state
 - 1 onsite planning day
 - Ongoing project management and professional development for state level Schoolology administrators during the implementation phase

III. Schoolology DDOE PDMS Implementation Services: **\$ 34,000**

- Initial Setup and Consultation to Establish Statewide PDMS
- 120 hours Custom Development to deliver API-based integration with TrueNorthLogic

Schoolology Additional Services Rate Table, Non-Recurring

Description	Price/Rate	Unit
Schoolology Webinars (Scheduled Trainings, Web Delivered) <ul style="list-style-type: none"> • Enterprise Administration (Orientation or Follow-up Sessions) • Master Instructors/Follow-up Webinars 	\$150.00	Hourly
Onsite Training and Professional Development (Includes T&E) <ul style="list-style-type: none"> • Enterprise Administration • Master Instructors 	\$2,500.00	Daily
Getting Started / Short Videos <ul style="list-style-type: none"> • Student • Teacher • Parent 	\$1,000.00	Video
Custom Development Services (Hourly)	\$250	Hourly
Custom Development Services (Daily, Remote)	\$2,000	Daily

Additional Services Note: Please be advised that these service rates may be scheduled by schools/LEAs directly or through the State. A thorough implementation plan will ensure a successful roll-out. Therefore we are committed to working with you in crafting an implementation strategy that will address your unique needs in building the capacity for instructional technology in the Delaware learning community.