

AREA PURCHASING AGREEMENT

This Area Purchasing Agreement (the “APA”) is entered into between the Adams Township Schools, Baraga Area Schools, Bark River-Harris Schools, Bay de Noc Community College, Bessemer Area School District, Big Bay de Noc Schools, Breitung Township Schools, Brimley Area Schools, Calumet Public Schools, Carney-Nadeau Schools, Chassell Township Schools, Copper Country ISD, Delta-Schoolcraft ISD, Detour Area Schools, Dickinson-Iron ISD, Dollar Bay-Tamarack City Schools, Eastern UP ISD, Engadine Consolidated Schools, Escanaba Area Schools, Ewen-Trout Creek Schools, Forest Park Area Schools, Gladstone Area Schools, Gogebic Community College, Gogebic-Ontonagon ISD, Gwinn Area Community Schools, Hancock Public Schools, Houghton-Portage Township Schools, Iron Mountain Area Schools, Ironwood Area Schools, Ishpeming Public Schools, Lake Linden-Hubbell Public Schools, L’Anse Area Schools, Mackinac Island Public School, Manistique Area Schools, Marquette Area Public Schools, Marquette Alger RESA, Menominee Area Public Schools, Menominee County ISD, Mid Peninsula Schools, Moran Township School District, Munising Public Schools, Negaunee Public Schools, North Central Area Schools, North Dickinson County Schools, Norway-Vulcan Area Schools, Ontonagon Area Schools, N.I.C.E. Community School District, Pickford Public Schools, Powell Township Schools, Rapid River Schools, Republic Michigamme Schools, Rudyard Schools, St. Ignace Schools, Sault Ste. Marie Area Schools, Stanton Township Schools, Stephenson Area Public Schools, Superior Central Schools, Tahquamenon Area Schools, Wakefield-Marenisco Schools, Watersmeet Township Schools, West Iron County Schools, Whitefish School District (the “Districts”) and is established for the collective determination of which MESSA medical plans will be made available to the employees of the districts. The purpose of the APA is to create a mechanism for collectively purchasing insured medical benefits and coverage to increase employee health plan options and for cost reductions in medical insurance expenditures.

The APA member districts are participating in a coalition to procure insured medical benefits including, but not limited to, hospital and physician services, prescription drugs and related benefits, as well as health care plan services or administrative services (collectively, “Services”). This Agreement only applies to the purchase of medical plans provided by MESSA and the member districts have an aggregate participation of 500 or more employees. Ancillary benefits such as life, dental, vision, and long term disability are still determined at the local level. Similarly, employer financial contributions towards medical insurance are determined at the local level. Each APA Member (defined as a school district or educational agency) is responsible for the enrollment of its employees and the payment of its invoice to MESSA.

The APA is not a “public employer pooled plan,” as that term is defined in Section 3(f) of PEHBA, MCL 124.73(f). The Agreement is not intended to and shall not operate as a third party administrator under the provision of the Third Party Administrator Act, MCL 550.901, et seq.

AQUISITION OF AND PARTICPATION IN SERVICES

The APA, through approval of its Coalition Team, shall determine the MESSA Services that the APA will obtain for the APA Members.

Any final commitment by a Member to participate in any Service available through the APA shall be accomplished only by approval of that Member’s Board of Education and local association through a Letter of Agreement.

Each Member who purchases a MESSA Service made available through the APA shall be bound by and required to comply with the terms of the MESSA Participation Agreement.

COALITION TEAM

The APA shall be under the direction and control of a Coalition Team. The Coalition Team shall consist of one (1) voting member for each school board and one (1) local educational employee (EE) selected by the employee unions from each district participating in the APA. MEA UniServ Directors representing the unions and the MESSA Field Representative will serve as non-voting members of the Coalition Team.

Admission of new districts to the APA and change in plan options will require a 2/3 majority vote of the full Coalition Team. The parties understand that any proposed change in APA membership or available plan options must be submitted to MESSA for it to determine actuarial feasibility before a change can be finalized. The Coalition Team shall meet minimally on an annual basis, but may meet on any other reasonable date and time with sufficient written notice to all Coalition Team members.

The Coalition Team may also create and utilize such other advisory and use committees and/or groups as it deems reasonably desirable or necessary for the efficient and effective performance of this Agreement. The identity, composition and scope of authority of any such committees and/or groups shall be determined by the Coalition Team.

MEMBERSHIP ELIGIBILITY, RIGHTS AND OBLIGATIONS

Applications for membership should be made at least sixty (60) days before the effective date. If a new Member is admitted to the APA, under the procedures specified above, the expiration of its initial commitment to membership shall coincide with the expiration of this Agreement.

Each Member agrees to maintain membership in the APA for at least a three-year period measured from the date it became a Member.

Each Member recognizes and acknowledges its obligation to comply with the terms of the Public Employment Relations Act (PERA) insofar as that Member's participation in any Services through the APA is regulated by the rights and obligations imposed by that enactment.

EFFECTIVENESS OF AMENDMENTS

This agreement cannot be modified except in a written amendment approved and signed by not less than 2/3 of the Coalition Team and a MESSA Representative.

GOVERNING LAW

This agreement shall be governed by and construed in accordance with the laws of the State of Michigan, including the Public Act 106 of 2011 as amended in PA 579 of 2018.

ENTIRE AGREEMENT

This Agreement constitutes the entire agreement among the parties with respect to the subject matter herein and supersedes any and all prior or contemporaneous agreement whether written or oral.

SEVERABILITY

If any provision of this Agreement is found contrary to law or unenforceable by any court, the remaining provisions shall be severable and enforceable in accordance with their terms.

EFFECTIVE DATE

The Effective Date of this Agreement shall be July 1, 2023, with medical plan benefits effective January 1, 2024, through December 31, 2026.

IN WITNESS WHEREOF, the parties have executed this Agreement on the respective dates indicated below.

**Eastern Upper Peninsula ISD
Board of Education**

By: _____

Its: _____

Date: _____