

PUPIL TRANSPORTATION AGREEMENT

THE SCHOOL BOARD OF ROCK RIDGE ISD #2909
EVELETH, MINNESOTA

AND

NORTHSTAR STUDENT TRANSPORTATION

2022-2023, 2023-2024, 2024-2025

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ARTICLE I - Parties to the Agreement

This agreement is made effective August 9th, 2022, by and between Rock Ridge School District #2909 Eveleth, Minnesota, hereinafter described as "School District" and NorthStar Student Transportation, Inc hereinafter described as "van operator" and/or "van contractor."

ARTICLE II - PURPOSE

It is contracted and agreed by and between the said parties that the van operator shall transport students required to be transported by the school district from any points on the designated routes to and from designated schools according to the routes and schedules as are furnished from time to time by the superintendent of the school district, or other appropriate school district officials, for the period of this contract.

ARTICLE III - VAN CONTRACTOR

SECTION 1. VANS

Van contractor agrees to furnish chassis and passenger van bodies both conforming to all state and federal laws and regulations relating to vans.

SECTION 2. VAN CONDITIONS

Van contractor agrees to keep said vans operating so that they will ensure proper warmth and comfort for the pupils transported therein, each van to be equipped with good and sufficient heaters.

SECTION 3. VAN MAINTENANCE

Van contractor agrees to have said vans maintained by qualified mechanics so that they will be at all times in good mechanical condition and kept clean and will from time to time add such equipment and safety devices as may be required by any new regulations of the State of Minnesota relating to vans.

SECTION 4. VAN DRIVERS

Van contractor agrees to furnish drivers over 18 years of age in good health and in possession of a valid, effective driver's license issued by the Motor Vehicle Department of the State of Minnesota qualifying the drivers to operate the vans, and who have completed a criminal history background check to the satisfaction of the school district for said vans in adequate numbers and of proper qualifications to fulfill the requirements of the agreement. The van contractor shall include van drivers to participate in student training or training/drills that the school district provides to the students being transported. The school district holds the right to request that a different driver be assigned to drive school district students should any allegations of school district policy be made against a driver.

SECTION 5. VAN DRIVER REGULATIONS

Van contractor agrees to establish and enforce regulations for the rules relating to the conduct of such drivers, and to fully comply with all state and federal laws governing the mandatory drug and alcohol testing.

SECTION 6. VAN DRIVER DISCIPLINE

Van contractor agrees to discipline, discharge or replace any drivers violating rules of conduct or not meeting reasonable qualifications or such requirements that may be established.

SECTION 7. VAN ON RESERVE

Van contractor agrees to have on hand serviceable standby vans in sufficient numbers to make all trips necessary under this agreement so that all normal vans are operating at all times in all circumstances to be reasonably anticipated by van contractor.

SECTION 8. SPECIAL EDUCATION

Van contractor agrees to provide transportation of special education students.

SECTION 9. COMPLIANCE

The entire operation contemplated in this agreement shall comply with applicable rules and regulations adopted by the Minnesota Department of Education, State Department of Public Safety and the school district presently in effect or now or hereinafter adopted and required. The van contractor will be bound by all rules and regulations, local ordinances, or state laws relating to road conditions and road restrictions of any other subdivisions of government and any other regulations relating to operation contemplated herein.

SECTION 10. INSURANCE

Van contractor agrees to keep in effect liability insurance for each van to insure against liabilities up to \$1,500,000.00 for each claimant and \$1,500,000.00 for each single occurrence in addition to any other coverage required by the specifications or which is required to meet the requirements of Minnesota Statutes section 466.04. The school district shall approve the company and policy submitted to fulfill this requirement and be included in an appropriate endorsement. Any additional coverage obtained by the van contractor will apply to this agreement at the time secured.

SECTION 11. INDEPENDENT CONTRACTOR

Van contractor shall not be held, or deemed in any way, to be the agent or employee of the school district. It is the intention of the parties that the van contractor is or shall be considered as an independent contractor. No officer, employee or agent of the van contractor shall be deemed to be an officer, employee or agent of the school district when performing their duties hereunder.

SECTION 12. INDEMNIFICATION

The van contractor agrees to defend, hold harmless and indemnify the school district from any and all claims, demands, causes of action, and suits against the school district caused by the negligence or intentional acts of the officers, employees and agents of the van contractor. The van contractor shall not pay or settle claims or judgments arising out of such negligence or intentional acts of the officers, employees, or agents of the van contractor, without approval of the school district or its insurer, in writing, and shall immediately give notice of all claims or suits to the school district. Subject to Minnesota law, the school district agrees to defend, hold harmless and indemnify the van contractor and its employees from any and all claims, demands, causes of action, and suits against the school district caused by the negligence or intentional acts of the employees and agents of the school district that arise out of or are related to this Agreement, including but not limited to the persons that have been directed or permitted to ride with or aid in the transportation of the students (to include nurses, paras, and aids that may be provided by the district). The school district shall not pay or settle claims or judgments arising out of this Agreement, except as otherwise required by law, without providing notice to the van contractor, and shall immediately give notice to all claims or suits that arise out of or are related to this Agreement to the van contractor.

ARTICLE IV - SCHOOL BOARD

SECTION 1. PAYMENT PERFORMANCE

The school district agrees to pay the van contractor in consideration and compensation of van contractor's obligation for performance under this agreement an amount as shown in addendum.

SECTION 2. SCHOOL CALENDAR

The school calendar, including vacations, holidays and recess periods, shall be provided to van contractor by the school district at least five weeks prior to the school year each year.

SECTION 3. SCHOOL DAYS

In the event that the actual number of days school is in session each school year and during which pupils must be transported shall exceed 174 days, the school district shall pay and the van contractor the additional cost to the van contractor of transporting the pupils during the additional days as mutually agreed upon between the parties, in

writing. In the event the school year consists of fewer days, the cost will be reduced accordingly, but the reduced cost shall not be less than the minimum agreed upon in Appendix "C".

SECTION 4. CONTINUED OPERATIONS

It is agreed by the parties that in the event the van contractor is unable to provide transportation services as herein specified because of Acts of God, (fire, riot, war, picketing, civil commotion, strikes, labor disputes or any other similar condition) the school district shall excuse the van contractor from performance hereunder and terminate the agreement or shall have the right to take over the operation of such vans that the van contractor is prevented from running with such school employee or other persons the school district may deem appropriate until the van contractor is able to resume operation. The school district shall pay the van contractor for the use of such vans at the same amount specified in the heretofore-mentioned rate schedule, less all expenses and costs incurred by the school district in the operation and maintenance of the vehicles. In addition, the school district will procure insurance to protect van contractor's property that is used by the District under this section.

ARTICLE V - DURATION

SECTION 1. AGREEMENT DATES

This agreement shall be in full force and in effect for a period commencing on or about August 9, 2022 and ending on or about June 30, 2025. It is mutually agreed and understood by and between the parties hereto that the initial term of this agreement shall be for three school years; the school year 2022-23 shall commence on August 9, 2022 and end on the 30th day of June 2023 but shall in addition include the 2023 summer school session if any. The 2023-24 school year shall commence on August 1, 2023 and end on the 30th day of June 2024, but shall in addition include the 2024 summer school session if any. The 2024-25 school year shall commence on August 1, 2024 and end on the 30th day of June 2025 but shall in addition include the 2025 summer school session if any.

SECTION 2. CONTRACT EXTENSION

The van contractor does hereby grant to the School District the option to renew this agreement for an additional two-year period after the conclusion of the third school year. The general terms and conditions of said agreement for the two-year option period shall be the same as this agreement, with payment for the specific items thereof to be increased or decreased by negotiation, all in accordance with Minnesota Statutes §123B.52, Subd. 3, and amendments thereto. Notice of exercise of the option to renew shall be given by the school district by the start of the 2024/2025 contract year unless the van contractor agrees to shorter notice. If the parties do not agree on changes in payment, the van contractor shall be paid such percentage increase as the school district may receive in State Transportation Aid, but the payment to the van contractor shall not decrease from the prior year.

SECTION 3. RENEGOTIATION

The parties agree that either the school district or the van contractor may initiate a communication requesting the other party meet to reconsider and possibly renegotiate certain rates, terms and conditions of this agreement should events occur such as school closings, changes in bell times, and changes in school district policies related to pupil transportation that would have the effect of a change in the quantity of regular routes provided by the van contractor exceeding ten-percent contemplated by this agreement. Nothing in this section shall limit school district rights or responsibilities or prohibit the school district from exercising such rights and responsibilities outlined in the Specification for School Transportation Services or state law relative to pupil transportation services.

SECTION 3. MINIMUM SERVICE

The minimum service to be provided under this agreement shall be to transport on round trip each day school is in session all pupils required to be transported under this agreement to and from school to the residing place of the pupil for a period of 174 days during each school year of this agreement, if required by the school district. This statement shall not in any way excuse the van contractor from performing all other obligations or duties required under this agreement, or the specifications or proposal attached hereto, during the period of this agreement for the consideration recited. School district is responsible for paying the rates for 174 days even if school district utilizes transportation services for less than 174 days. The van contractor has incurred considerable expense in preparing to perform this contract with the current number of routes and days of service, and this minimum shall be paid to

van contractor by the school district even if the number of routes or number of days shall decrease, unless otherwise agreed to by the parties and in compliance with applicable law

SECTION 4. AMENDMENTS

This agreement may be amended or terminated by mutual agreement of the parties in writing approved by the school board and van contractor.

SECTION 5. TERMINATION

Failure or refusal of either party to substantially perform the conditions of this agreement during the term of the agreement will permit the other party to terminate the agreement upon 30 days written notice in writing to the breaching party, unless within such 30 day period the breaching party shall correct the performance to the satisfaction of the party, but both parties shall be entitled to all remedies provided by law in case of such breach, failure or refusal, but neither party shall be required to accept less than full performance of this agreement unless otherwise agreed in writing by the parties.

SECTION 6. NOTICES

All notices under this agreement required to be given to the school district shall be directed to the clerk of the school district at the school district's administrative offices. All notices required to be given to the van contractor shall be directed to it at its principal office last on record with the school district.

ARTICLE VI - ADDITIONAL TERMS

SECTION 1. ADDENDUMS

The addendums A, B, C and D attached are included herein and made a part of this agreement by reference along with any bid specifications and/or proposal submitted by the van contractor.

SECTION 2. APPROVAL

The school district shall approve any and all van routes, drivers and alternate drivers. The school district reserves the right to change or alter the schedules and routes of travel by giving at least two weeks written notice to the van contractor, but any additional costs shall be verified in writing by the van contractor and additional compensation shall be mutually agreed upon by the parties in writing.

SECTION 3. TRANSFERS

The van contractor cannot assign or transfer any part or all interest in this agreement without the written approval of the school board of the school district authorized at a regular or special meeting of the school board. The parties agree that if the purchase of Northstar by Brown Transportation is successful, Brown Transportation shall take the place of Northstar in this Agreement and shall be fully bound by the terms of this Agreement.

SECTION 4. STATUTORY REFERENCE

The van contractor and the school district have complied with the provisions of Minnesota Statute 123B.52, Subd. 3.

SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Agreement as follows

NorthStar Student Transportation, Inc.
1260 Industrial Parkway Drive
Eveleth, MN 55734

Rock Ridge School District #2909
1405 Progress Parkway
Virginia, MN 55792

[Handwritten Signature] 9/14/22 Superintendent

President

Business Manager
It is represented that the School District Board has properly approved this contract.

Jack Lane, When Owner of Brown Transportation, Inc, dba Northstar Student Transportation

[Handwritten Signature] 7 Sept 2022

Michelle Lane, When Owner of Brown Transportation, Inc, dba Northstar Student Transportation

[Handwritten Signature] 9-7-22

Ward Brown, Unless/Until Brown Transportation Stock dba Northstar Student Transportation is Sold to Lanes

[Handwritten Signature] 9-7-22

Linda Brown, Unless/Until Brown Transportation Stock dba Northstar Student Transportation is Sold to Lanes

Dated this _____ day of _____, 2022

Dated this _____ day of _____, 2022

APPENDIX A - VEHICLES IN OPERATION

- a. Special Education morning and afternoon routes (24 morning and 24 evening routes minimum with vans with an average capacity of 4 passengers).
- b. Van fleet shall not average more than twelve years of age.

APPENDIX B - FUEL

Contractor shall pay up to \$3.00 per gallon (gas) for fuel. If the price of fuel exceeds the \$3.00 per gallon, ISD #2909 shall pay a \$.01/mile increase for every \$.10/gallon increase in the fuel above the agreed upon price of \$3.00 per gallon in additional charges based on invoices presented by the contractor. This price shall be based on the price of fuel on the last day of each month. If the price per gallon is less than the \$3.00 per gallon the contractor shall eliminate the fuel escalation charge until such times as prices should exceed the agreed upon price of \$3.00/per gallon.

APPENDIX C – 2022/23, 2023/24 AND 2024/25 RATES

The 2022-23 school year agreement shall be in the minimum amount of \$1,321,000.00 payable in ten equal installments of \$132,100.00 for items stated below which is regular scheduled school transportation routes. This minimum amount was based off of the 2021/2022 school year billings. ISD #2909 shall provide the van contractor with the first and last billings of the three-year contract totaling \$264,200.00 either up front or in two installments of \$132,100.00 on August 15, 2022 and September 1, 2022 with 9 equal installments of \$132,100 each for the balance of the 2022/2023 school year. This prepayment shall be credited against the amounts due from the school district at the end of this contract.

- a. 24 AM & PM special education transportation routes.

Van Route:

Minimum Day Charge:	\$130.00*
Minimum Half-Day Charge:	\$65.00*
Mileage charge for van:	\$2.78 per mile*

*Charge is minimum time/day charge or mileage whichever is greater.

These van routes are not designed with a “wait time” built in and can be addressed on a case-by-case basis. Should the need arise for wait time to be added, a charge of \$35.00 per hour will be billed. Aides can be provided on an “as needed” basis with a minimum pay of \$19.50 per hour.

Subsequent contract years will be billed in the same way, 10 equal installments.

The district agrees to a rate increase for the 23/24, 24/25 years of the contract term (or any extension thereafter) equal to percentage rate increase, if any, in State Transportation Aid. State Transportation Aid for purposes of this contract is defined as Transportation Portion of Basic Revenue plus Transportation Sparsity Revenue. These amounts are calculated by the state each fiscal year in the General Education Aid Report.

APPENDIX D – 2025/26 RATES AND 2026/27 RATES

If the school district exercises its option to extend the contract for another two-year period, the rates for the 2025-26 school year agreement shall be negotiated in August of 2025 and the rates for the 2026-27 school year agreement shall be negotiated in August of 2026, unless a later date is agreed upon by both parties. The district, in its sole discretion, will reserve the option (consistent with applicable Minnesota statutes and ARTICLE 4 of this SPECIFICATION) to extend the contract for an additional two-year period. The contract rates for the 2025/2026 and 2026/2027 school years are set forth in the contract unless the parties agree to different contract rates.