

**KENYON-WANAMINGO SCHOOLS
PUPILS TRANSPORTATION CONTRACT
KENYON, MINNESOTA 55946**

This AGREEMENT, hereinafter described as Agreement, is made effective August 15, 2025, by and between Independent School District 2172, Kenyon-Wanamingo, of the County of Goodhue and the State of Minnesota, hereinafter described as District and Minnesota Coaches, Inc. dba Faribault Transportation Service or assigns hereinafter described as Operator. District and Operator may sometimes be referred to collectively as Parties or individually as Party.

WHEREAS, it is contracted and agreed by and between the said Parties that the Operator shall transport school pupils required to be transported by the 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 District, or the Superintendent's designee, for the period of this contract,

NOW, THEREFORE, in consideration of the covenants hereinafter contained, the Parties agree as follows:

1. Service Expectations

A. The Operator shall:

1. furnish chassis and passenger school bus bodies conforming to both State and Federal laws and regulations relating to school buses;
2. keep said school buses stored in a facility that is located within the District to ensure proper warmth and comfort for the pupils transported therein, each bus to be equipped with sufficient heaters;
3. have said buses maintained by qualified mechanics so 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 school buses;
4. furnish drivers over 18 years of age in good health and in possession of a valid Class B Commercial Driver's License with school bus endorsement issued by Motor Vehicle Department of the State of Minnesota, for said buses in adequate numbers and of proper qualifications to fulfill the requirements of this Agreement;
5. establish and enforce regulations for the rules relating to the conduct of such drivers;
6. discharge or replace any drivers violating rules of conduct or not meeting qualifications or such requirements or qualifications as may be established herein

in addition thereto; and

7. maintain a current, detailed computerized database of all transportation-eligible students.

2. Laws and Regulations.

- A. 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 Transportation, and the District presently in effect or now or hereafter adopted and required. The Operator will be bound by all rules and regulations, local ordinances, or state laws relating to road conditions and road restrictions and any other regulations relating to the operations contemplated herein.
- B. Changes. The Parties agree to good faith collaboration in the discussion of any and all additional operational costs incurred by the Operator arising directly or indirectly from changes to law applicable to this Agreement, which includes, but is not limited to, safe and sick time and unemployment benefits. Any such change to applicable law may impact compensation due to the Operator for provision of services.

3. Services & Payment.

- A. Required Transportation Services. The minimum service to be provided under this Agreement shall be to transport all pupils required to be transported under this Agreement to and from school to the residing place of the pupil. This statement shall not in any way excuse Operator from performing all other obligations or duties required under this Agreement, or the specifications or quotations attached hereto, during the period of this Agreement for the consideration recited.
- B. Rate Schedule. The District agrees to compensate the Operator for performance under this contract in accordance with the schedule in Appendix A.
- C. Rate Schedule Adjustment(s). Beginning July 1st, 2027, and effective the first day following each remaining one-year period of the Term, the Rate Schedule shall be increased by an amount that represents a percentage increase in the Rate Schedule equal to the percentage increase in the Consumer Price Index (CPI), with the minimum increase being 4% and the maximum increase being 6%. For the avoidance of doubt, the CPI is calculated by reviewing the local Minneapolis-St. Paul Bloomington U Category CPI in March of the preceding contract year. The Parties

agree to good faith collaboration in determining any adjustments to the schedule in Appendix A.

- D. Minimum Payment. A minimum payment based on the daily rate per bus multiplied by the number of established routes multiplied by 170 student contact days is established as a guarantee against financial loss for the Operator due to school closings or other unusual events resulting in a shorter school year.

The initial negotiation of this Agreement was predicated on 173 student contact days. A District change to 170 students contact days was made prior to the formal execution of this Agreement without any impact on the minimum payment of the initial negotiation. Therefore, the District may add three additional student contact days at any time without impacting the schedule in Appendix A.

4. Insurance

- A. Coverage. The Operator shall maintain during the life of the contract automobile, general liability and commercial umbrella insurance with minimum limits as follows:

- 1. Automobile: \$1,000,000 combined single limit (each accident)
- 2. General Liability: \$1,000,000 per accident/\$2,000,000 aggregate
- 3. Commercial Umbrella: \$4,000,000

The School District shall be named as an additional insured and shall approve the company and policy submitted to fulfill this requirement and be included in an appropriate endorsement. Any additional coverage obtained by the Operator will apply to this Agreement at the time secured.

- B. Independent Agent. The Operator 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 Operator is and shall be considered as an independent contractor. No officer, employee or agent of Operator shall be deemed to be an officer or agent of the School District unless he or she is also an officer or employee of the School District and in his or her course of employment with the School District.

- C. Indemnification. The Operator agrees to hold harmless and indemnify the School District from any and all third-party 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 Operator except to the extent: (i) such Claims are the result of the gross negligence or intentional misconduct of the School District or (ii) such Claims relate to or arise out of disciplinary decisions related to student discipline

or student behavior on Contractor's vehicles, which decisions shall be made by the School District after consultation with the Contractor.

5. Compliance

- A. Incorporation. The specifications and general conditions relating hereto are included herein and made a part of this Agreement by reference along with any quotation submitted by Operator, except as otherwise provided in this Agreement.
- B. Force Majeure. It is agreed by the Parties that in the event the Operator 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 may excuse him from performance hereunder and terminate the Agreement or shall have the right to take over the operation of the buses that the Operator is prevented from running with such school employees or other persons as the School District may deem appropriate until the Operator is able to resume operation. The School District shall pay to the Operator for such buses the same amount specified in the heretofore mentioned rate schedule pursuant to Appendix A, less all expenses and costs incurred by the School District in the operation and maintenance of the vehicles.
- C. Assignment. Operator cannot assign or transfer any part or all of its 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.
- D. Contract Law. Operator and School District have complied with the provisions of M.S. 123B.52 subd. 3. Any adjustments or refunds under this Agreement shall be determined by mutual consent of the Parties.

6. Duration & Modification

- A. Agreement Terms. This entirety of this agreement is contingent upon Minnesota Coaches, Inc., dba Faribault Transportation Service, or assigns closing the acquisition of certain vehicle and terminal assets of Held Bus Service prior to August 15, 2025.
- B. Modification. This Agreement may be amended by mutual agreement of the Parties in writing approved by the School Board upon 30 days' written notice of one Party to the other, or as is otherwise permitted by this Agreement or the specifications or bids attached hereto.

- C. 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 other 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.
- D. Notices. All notices under this Agreement required to be given to the School District shall be directed to the Clerk of the District at the District's administrative offices. All notices required to be given to the Operator shall be directed to it at its principal office last on record with the District.
- E. Term. Notwithstanding anything to the contrary, this Agreement shall be in full force and effect for a period commencing August 15, 2025, and ending June 30, 2035.

IN WITNESS WHEREOF, the Parties have executed this agreement below.

Faribault Transportation Service, Inc.

Kenyon-Wanamingo ISD 2172

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

Appendix A

KENYON-WANAMINGO SCHOOLS TRANSPORTATION CONTRACT RATE SCHEDULE

Description	2025-2026	2026-2027
Daily Routes		
Regular Routes – Daily Rate per Bus	\$381.62	\$404.52
Special Needs Routes – Daily Rate per Bus/Van	\$381.62	\$404.52
Daily Route Per Hour Over 4 Hours per Day	\$84.00	\$89.04
Aides (if not provided by District)	\$44.00	\$46.64
Field Trips/Extracurricular Trips		
Monday - Friday 8:00 a.m. – 2:30 p.m.		
Per Mile	\$1.12	\$1.19
Per Hour	\$25.00	\$26.50
Minimum	\$88.00	\$93.28
Monday - Friday Before 8:00 a.m. OR After 2:30 p.m.		
Per Mile	\$1.25	\$1.33
Per Hour	\$25.00	\$26.50
Minimum	\$150.00	\$159.00
Saturday OR 8+ Hours		
Per Mile	\$1.25	\$1.33
Per Hour	\$30.00	\$31.80
Minimum	\$150.00	\$159.00
Sunday and Holidays		
Per Mile	\$1.25	\$1.33
Per Hour	\$35.00	\$37.10
Minimum	\$150.00	\$159.00

The School District will pay the Operator for fuel costs beyond \$3.00 per gallon, excluding federal tax, during the contract period.