

**BEMIDJI AREA SCHOOLS
BEMIDJI, MINNESOTA**

DATE: JULY 21, 2025

TO: BOARD OF EDUCATION

FROM: ASHLEY EASTRIDGE, CPA, DIRECTOR OF BUSINESS SERVICES

**SUBJECT: FY26-28 SCHOOL BUS TRANSPORTATION CONTRACT –
BEMIDJI BUS LINES**

COMMENTS:

Bemidji Bus Line has been our supplemental transportation contractor since FY23. They originally contracted four routes with the District and over the last couple of years we have approved one-year addendums for additional routes. Attached is a three-year contract for a total of 9 routes, which is the same amount of routes as what was contracted out in FY25. The total estimated contract amount for these services are as follows:

2025-2026 - \$643,720

2026-2027 - \$676,476

2027-2028 - \$710,876

Contracting these routes puts the District in a very good position going into the school year with having only one route that doesn't have an assigned driver. This is very important to obtain because over the past few years we have experienced a driver shortage, which has put a significant amount of pressure on our transportation staff to not cancel routes.

To give you some perspective during FY25 we experienced driver shortages with an average of 5 open routes each day, which was approximately 8% of our total routes; with as many as 10 open routes on a day, which occurred 6 times during FY25. During FY24 we experienced driver shortages with an average of 7 open routes each day, which was approximately 14% of our total routes; with as many as 14 open routes open on a day, which occurred 2 times during FY24. We also had to cancel 7 total routes during that school year with as many as 3 being canceled on the same day.

We made improvements in FY25 from FY24 and a large part of that is due to contracting out three additional routes in FY25 with Bemidji Bus Line along with both the District and Bemidji Bus Line having a larger supply of substitute drivers.

ACTION:

The motion was offered by _____, seconded by _____ and, carried () to approve the three year contract for School Bus Transportation services in the amount of \$643,720 in 2025-26, \$676,476 in 2026-27 and \$710,876 in 2027-28 to Bemidji Bus Lines.

BEMIDJI AREA SCHOOLS PUPIL TRANSPORTATION SERVICES AGREEMENT

In accordance with Minnesota Statutes, section 123(b).52, subdivision 1 or 3, this agreement is made and entered into as of the _____ day of _____, 2025, by and between ISD #31 Bemidji Area Schools, Bemidji, Beltrami County, Minnesota, hereinafter called "District" and Bemidji Bus Line, hereinafter called "Contractor."

WITNESSETH

WHEREAS, District has selected Contractor to provide the pupil transportation services described herein; and

WHEREAS, Contractor desires to provide such pupil transportation service to the District,

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

1. TERM

The term of this agreement shall commence July 1, 2025 and shall continue through June 30, 2028. In addition, the District parties reserves the right to negotiate extensions to the contract.

2. SCOPE OF SERVICES REQUIRED

Contractor shall, during the term of this Agreement, supply and maintain such number of school buses and personnel as are required to fulfill District's needs for pupil transportation services as described in the Specifications for Pupil Transportation Services, see Appendix B which is incorporated in this Agreement. It shall not be considered breach of contract if staffing amounts require a route to be postponed or cancelled.

3. COMPENSATION AND BILLING

In consideration for services rendered hereunder, District shall pay to Contractor all sums due and owing and calculated in accordance with the rates set forth in Appendix A attached hereto and made a part hereof, as may be adjusted from time to time as provided herein.

BASIC TRANSPORTATION

Regular To and From Transportation

In consideration for services rendered hereunder, District shall pay to Contractor all sums due and owing and calculated in accordance with the rates set forth in Appendix A attached hereto no later than 30 calendar days after the receipt of invoice.

4. FUEL COST ADJUSTMENT

Contractor shall furnish all fuel to be used in its performance of this agreement with copies of invoices to be provided to the District monthly if requested. Contractor's "Base Fuel Cost" shall be \$4.11 per gallon (gasoline or diesel) exclusive of applicable federal gasoline taxes. The Contractor's invoice shall include an adjustment for increases in fuel costs calculated by multiplying (i) the number of gallons of fuel purchased by the Contractor for consumption in the performance of this agreement by (ii) the difference between the appropriate Base Fuel Cost and the actual price per gallon of fuel paid during the month for which the invoice is issued.

5. RECORDS AND REPORTS

Contractor shall provide those reports and records, which may be reasonably requested by District and necessary for proper payment, for evaluation of Contractor's performance or for state and District reporting hereunder. Reports may include, but are not limited to:

- Crash Reports
- Student Discipline Reports
- Bus Inspections
- Monthly or Yearly Mileage, Hour or Route Reports
- Bus Ridership Reports - for each route including special education transportation routes
- Driver Qualification Reports

6. STATUS OF CONTRACTOR

In the interpretation of this Agreement and the relations between Contractor and District, Contractor shall be construed as being an independent contractor hired to provide pupil transportation services only. Neither Contractor nor any of its employees shall be held or deemed in any way to be an employee or official of the District. Contractor shall be responsible for, and hold District harmless from any liability for unemployment taxes or contributions, payroll taxes or other federal or state employment taxes.

7. INSURANCE

Contractor shall, at its expense, procure and keep in force during the entire term of this Agreement, public liability and property damage liability insurance protecting District, its board, officers, employees and agents, and Contractor, its drivers and other personnel. Contractor must provide the above referenced insurance with the following minimum limits:

Automobile Liability Insurance	\$1,000,000 Combined Single Limit
Commercial General Liability Insurance	\$1,000,000 Per Occurrence
Worker's Compensation	Statutory
Umbrella Liability Insurance	\$4,000,000

Contractor agrees to provide District a certificate of insurance evidencing such coverage and designating District as an additional insured with respect to Automobile Liability. Worker's compensation insurance shall be maintained as required by law. All insurance policies shall provide that no coverage shall be cancelled except by thirty (30) days written notice to District.

8. INDEMNIFICATION

Contractor shall hold District, its governing board, officers and employees harmless and does hereby indemnify District, its governing board, officers and employees from and against every claim or demand which may be made by any person, firm or corporation, or other entity arising from or caused by any act of neglect, default or omission of Contractor in the performance of this Agreement, except to the extent that such claim or demand arises from or is caused by the negligence or willful misconduct of District, its agents or employees. The Contractor also agrees to indemnify and save the District harmless from any claims involving personal injury or property damage arising out of, or in the course of, Contractor's acts in providing transportation of assigned pupils.

To the extent permitted by law, District shall hold Contractor, its officers, employees, agents, successors and assigns harmless and does hereby indemnify Contractor, its officers, employees, agents, successors and assigns from and against every claim or demand which may be made by any act neglect, default or omission of District, its governing board, officers, employees or agents, except to the extent that such claim or demand arises from or is caused by the negligence or willful misconduct of Contractor, its agents or employees.

9. FORCE MAJEURE

In the event Contractor is unable to provide the transportation services herein specified because of any act of nature, civil disturbance, fire, flood, war, governmental action, labor dispute involving District personnel, picketing, strike, or lockout, or any condition or cause beyond Contractor's control, District may excuse Contractor from performance under this Agreement.

10. INCLEMENT WEATHER / SCHOOL CLOSINGS / SCHOOL CALENDAR

In the event of inclement weather or impassability of roads or whenever school is cancelled, delayed or is dismissed early, District shall notify Contractor as soon as possible prior to such cancellation or delay. Should the number of days transportation is required decrease during the school year, as a result of weather conditions, strikes, gas shortages, school closing, public health emergencies and other emergencies, the base contract of 172 days per school year shall be guaranteed. If the school year is extended beyond 172 days per year, the contract rates shall apply to the actual number of days that school was in session.

11. EMERGENCY RESPONSE PROGRAM

Contractor shall understand and participate in the District Emergency Plan. In addition, Contractor shall develop and implement an emergency plan responsive to the District Emergency Plan. District may review and require changes or additions to plan.

12. OPERATIONS PERSONNEL/DRIVER QUALIFICATIONS

Contractor shall employ a sufficient number of qualified drivers and support personnel to assure District of continuous and reliable service. Contractor shall provide qualified drivers, trained and licensed in accordance with the laws of this State and the rules and regulations of District. Accordingly, Contractor agrees that each driver shall:

- a. Possess a valid license issued by this State (or a reciprocal state) authorizing such person to operate a school bus.
- b. Be certified by a duly licensed medical practitioner as medically qualified and free of medical or physical conditions, which, absent reasonable accommodation, would limit safe operation of a school bus qualified without reasonable accommodation, to safely operate a school bus. The physical examination shall be conducted prior to employment and periodically thereafter as required by State law.
- c. Successfully complete a course of training, including instruction in school bus safety, student discipline, human relations, behind-the-wheel school bus driving instruction, defensive driving, first aid, use of fire extinguisher, traffic laws, and applicable District policies and regulations.
- d. Possess a satisfactory driving record and criminal history record, after review of such records prior to employment and periodically thereafter to the extent permitted or available by law.
- f. Satisfy all applicable requirements of the U.S. Department of Transportation, Federal Highway Administration in rendering transportation services regulated by that agency.
- g. Meet any other criteria required by State law or by District's policies, rules or regulations.
- h. Partake in a random drug testing program as required by law. The drug testing program shall be administered by the Contractor.

Contractor shall hold each driver responsible for:

- a. Supervising the safe loading and unloading of his or her bus at every pick-up and delivery point.
- b. Keeping informed of all rules and regulations affecting the safe operation of school buses and standards of conduct.
- c. Complying with all federal, state and local traffic laws while operating buses under this agreement.
- d. Carrying appropriate identification at all times while on duty.
- e. Carrying a timepiece while on duty so that the driver can maintain established schedule times.
- f. Communicating to Staff any issues or needs related to the route assignment and all passengers transported.

13. EQUIPMENT

All school buses supplied by Contractor pursuant to this Agreement shall meet or exceed the standards established by the laws and regulations of the State and the United States. Contractor shall maintain the school buses used to provide pupil transportation services under this Agreement in accordance with law and accepted industry maintenance standards. District reserves the right to request maintenance records at any time during Agreement.

Contractor shall provide buses in sufficient number to efficiently transport all students for whom District orders services, including an adequate number of spares.

Buses shall be of sufficient capacity to permit every student transported to be seated in conformance with State laws at all times. Buses must be clean, neat-appearing and display appropriate exterior and interior markings as required by state law.

Properly working two-way radios shall be in each bus used to provide services under this agreement and shall be furnished by the District. It is understood that District owned radio equipment is property of the District.

Properly working camera systems shall be used in each bus to provide services under this agreement. The camera system can be provided by either the District or the Contractor. It is understood that District owned camera systems are property of the District.

14. STUDENT DISCIPLINE/VANDALISM

The ultimate responsibility and authority to suspend or expel any student from transportation services hereunder shall rest with District. Contractor's drivers are responsible only for such discipline as is required to safely and properly operate Contractor's buses. Each driver shall handle all disciplinary matters in strict accordance with District policy. In no case will a driver eject a student from a bus without authorization. All discipline problems shall be reported in writing. Procedures and regulations for the administration of discipline shall be established cooperatively between District and Contractor.

Vandalism damages to Contractor's equipment or facilities shall be the responsibility of Contractor. However, District shall give Contractor reasonable assistance in obtaining restitution for damaged equipment or facilities.

15. ASSIGNMENT

The Contractor shall not assign or transfer any part of the obligation and responsibility in this contract without the prior written approval of the District.

16. TERMINATION

If either party shall willfully violate any of the covenants or duties imposed upon it by the Agreement, such material willful violation shall entitle the other party to terminate this Agreement. The party desiring to terminate for such cause shall give the offending party thirty (30) days written notice to remedy the violation. If at the end of such time the party notified has not removed the cause of complaint or remedied the purported violation, then this Agreement shall be deemed terminated.

District and Contractor agree to meet and make good faith efforts to resolve any disputes within thirty (30) days of the development of any dispute, prior to filing any action in a court of competent jurisdiction. Good faith efforts may include mediation and arbitration by mutual agreement.

17. PLACE OF CONTRACT

This Agreement shall be deemed to be made in and shall be construed in accordance with the laws of the State of Minnesota. All references in the contract to the "State" shall mean State of Minnesota.

18. SURVIVAL

The mutual obligations described in COMPENSATION AND BILLING; and INDEMNIFICATION hereof shall survive the termination or expiration of this Agreement.

19. SEVERABILITY

In the event any provision specified herein is held or determined by a court of competent jurisdiction to be illegal, void or in contravention of any applicable law, the remainder of the Agreement shall remain in full force and effect.

20. MODIFICATION

Contractor and District may modify the terms of this Agreement in whole or in part as circumstances may justify by mutual written agreement executed by the duly authorized representatives of the parties.

21. NOTICE TO PARTIES

All notices to be given by the parties to this Agreement shall be in writing and served by depositing same in the United States Mail, postage prepaid, registered or certified mail.

Notices to District shall be addressed to:

Ashley Eastridge - Director of Business Services
ISD #31- Bemidji Area Schools
502 Minnesota Ave NW
Bemidji, MN 56601

Notices to Contractor shall be addressed to:

Bemidji Bus Line
P.O. Box 2044
Bemidji, MN 56619

Either District or Contractor may change its address of record for receipt of official notice by giving the other written notice of such change and any necessary mailing instructions.

22. ENTIRE AGREEMENT

This Agreement sets forth the entire agreement between District and Contractor concerning the subject matter hereof. There are no prior representations, either oral or written, between District and Contractor other than those contained in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this _____ day of _____ 20xx.

By: _____

Officer of Contractor

By: _____

Chair, Board of Education

By: _____

Clerk, Board of Education

APPENDIX A COMPENSATION AND BILLING

ASSUMING 172 STUDENT DAYS PER SCHOOL YEAR

ROUTE ID	DAILY AMOUNT	INSERVICE	GRAND TOTAL	DAILY AMOUNT	GRAND TOTAL	DAILY AMOUNT	GRAND TOTAL
	25-26	WAGES ONLY	25-26	26-27	26-27	27-28	27-28
127	\$424.00	240	73168	\$447.00	76884	\$469.00	80668
132	\$386.00	240	66632	\$407.00	70004	\$428.00	73616
133	\$444.00	240	76608	\$468.00	80496	\$492.00	84624
135	\$400.00	240	69040	\$422.00	72584	\$443.00	76196
137	\$444.00	240	76608	\$468.00	80496	\$492.00	84624
138	\$386.00	240	66632	\$407.00	70004	\$428.00	73616
181	\$474.00	240	81768	\$500.00	86000	\$525.00	90300
182	\$386.00	240	66632	\$407.00	70004	\$428.00	73616
183	\$386.00	240	66632	\$407.00	70004	\$428.00	73616
			\$643,720.00		\$676,476.00		\$710,876.00

If a route is changed and the mileage increases over 50 miles per day for an AM or PM only route, or 100 miles per day for an AM/PM route, an additional per mile fee will be incurred

Other Substitute Services:

Bemidji Bus Line will provide substitute drivers and buses when available as needed. The rates for additional substitute services shall be:

If a Bemidji Bus Line bus is used on a route for substituting of a route:

2025-2026: \$386.00/day with a 100 mile minimum per day on AM/PM routes

2026-2027: \$407.00/day with a 100 mile minimum per day on AM/PM routes

2027-2028: \$428.00/day with a 100 mile minimum per day on AM/PM routes

If the route covered is an AM only or PM only, the mileage minimum and daily rate shall be 50% of the above

* A per mile charge will occur for any mileage over 50 miles for an AM or PM route or 100 miles per day for an AM/PM route*

Any "Stand By" sub drivers will have wages only billed at 2 hour minimums per shift

*Any Student Behavior support will be billed at \$30.00/hour

If a Bemidji Bus Line driver drives a District owned bus:

Billed at current driver hourly rate plus 30% to cover FICA, Workman's Compensation, and other related costs.

APPENDIX B

SCOPE OF SERVICE

ROUTE #127: This is an AM/PM route in the Lincoln attendance area.

ROUTE #132: This is an AM/PM route in the Lincoln attendance area.

ROUTE #133: This is an AM/PM route in the Solway attendance area.

ROUTE #135: This is an AM/PM route in the Horace May attendance area.

ROUTE #137: This is an AM/PM route in the Lincoln attendance area.

ROUTE #138: This is an AM/PM route in the J.W. Smith attendance area.

ROUTE #181: This is an AM/PM route in the Solway attendance area.

ROUTE #182: This is an AM/PM route in the Solway attendance area.

ROUTE #183: This is an AM/PM route in the Northern attendance area.

Note: Route numbers/identifiers are subject to change and will be established with consultation with ISD #31's Transportation Department.