



*CARING TODAY
FOR AMERICA'S TOMORROW*

10101 West Laraway Road
Frankfort, Illinois 60423
Phone: 815-469-5196
Fax: 815-469-5987

February 11, 2020

Mr. Kevin Slattery
Director of Business and Finance/CSBO
SPEED District 802
1125 Division Street
Chicago Heights, IL 60411

Dear Mr. Slattery;

As a follow up to our conversation concerning your transportation contract, I wanted to provide you with a written proposal for contract pricing for the 2020/2021 school year. Below I have listed some of the areas in our business that have affected our costs since we last discussed pricing.

LABOR

The driver shortage continues and is getting worse. Unemployment levels are at record lows; 3-4%. These levels have not been seen in 60 years. The economy is still very strong and with our job being part-time, split shift, clean license, background check, and physical (with drug screening), our pool of eligible applicants is shrinking.

We also understand that we cannot provide the quality of service you have come to expect without good reliable school bus drivers. We are constantly recruiting, interviewing, and training applicants to become drivers. We are also creating programs to maintain the drivers that we have. Incentive programs like return to work bonus, safety bonus, attendance bonus, and referral bonus.

At American School Bus Co., we have also increased our driver's pay rates. Our driver's starting rate will increase another 6.0% for the start of the 2020/2021 school year.

We will also be increasing our para-professional rates as well. In order to attract good quality applicants we will increase the starting rate another 8.0% for the start of the 2020/2021 school year.

LIABILITY INSURANCE

In negotiating our rates for liability, automobile, SAM and worker's compensation we received a 15% increase in our rates. Most of that was due to the excess layer we have.

FUEL

The State passed the increase in sales tax for fuel. We are now paying an additional 19¢ per gallon. We averaged \$2.60/gallon last year. The 19¢ per gallon will represent about an additional 7% increase in our fuel cost.

COST OF VEHICLES

We have been purchasing gas or propane engine school buses the last 4 years. They are better for the environment and they have been performing better as far as maintenance is concerned. We try to replace 7-10% of our entire fleet every year so the average age does not require too much maintenance and we don't have too new a fleet to overload our loan debt. New buses cost about \$85,000-\$90,000 each.

Based on all of the above, we are asking for a 4.0% increase for all price categories for 2020/2021. (see enclosed)

If this proposal meets with your approval, please indicate so by signing both copies, keeping one copy for your files, and returning the other copy to me.

AMERICAN SCHOOL BUS CO., INC.

SPEED DISTRICT 802



Thomas M. O'Sullivan
Vice President, Contracts & Bids

By: _____

Title: _____

TMO/mm

Date: _____

Mission Statement

Our primary goal is to transport the youth of today in a safe, efficient and friendly environment

American School Bus Company SPEED Transportation Contract

Proposed Pricing 2020/2021

Note: Distance is from home to school, or school to home, as determined by MapQuest (or similar software) by most direct route.

<u>Zone</u>	<u>Round Trip Miles</u>	<u>2019/2020</u>	<u>2020/2021</u>
A	Up to 4 miles	\$10.37	\$10.78
B	Between 4 and 8 miles	\$18.67	\$19.42
C	Between 8 and 20 miles	\$31.29	\$32.54
D	over 20 miles	\$42.12	\$43.80
E	Over 20 miles (one or two Students attending one school)	\$51.90+2.72/mile	\$53.98+2.83/mile
Aide/Monitor	Price per student, per day	\$12.69	\$13.20
	Price for one-on-one aide (Price/day)	\$82.17	\$85.46
Min. charge	Per bus, per day	\$252.77	\$262.88
<u>Field Trips</u>			
	Minimum 3 hours	\$214.46	\$223.08
	¼ hour after 3 hours	\$17.02	\$17.70
	Aide (3 hours)	\$68.28	\$71.04
	¼ hour after 3 hours	\$5.69	\$5.92
<u>Transport to Work Program</u>			
	Driver time, per hour	\$49.08	\$51.04
	Miles, per mile	\$5.69	\$5.92
Arrive/Depart	Other than normal hours	\$49.08	\$51.04