



Red Wing Public School District

Transportation Management Services



SERVICES AGREEMENT

AGREEMENT is made effective for all purposes in all respects as of July 1, 2024 by and between (i) CESO Transportation, LLC (hereinafter referred to as “Company” or “CESO”), and Red Wing Public School District 256 (hereinafter referred to as “Client”). Company and Client be collectively referred to as the “Parties.”

WHEREAS, Company is in the business of providing transportation management and operational services to school districts and other entities and is willing and able to provide these services to Client;

WHEREAS, Client desires to engage Company in the aforesaid capacity;

WHEREAS, the Company and Client wish to set forth in writing the terms and conditions of Agreements and understandings.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, and of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Parties hereto agree as follows:

1. **SCOPE OF SERVICES:** Company shall be responsible to perform the services set forth in the Scope Of Services and Pricing, which is attached hereto as Exhibit A and incorporated herein by reference. To the extent that the Scope Of Services and Pricing conflicts with the terms delineated in this Services Agreement, the terms in the Services Agreement shall control.

2. **TERM:** Services shall be provided on an annual basis, commencing on July 1, 2024, and ending on June 30, 2025. The term of this Services Agreement will renew automatically for an additional annual period unless notice of non-renewal is provided by Client in writing not later than March 1 of each year, or unless sooner terminated in accordance with the provisions of Section 12 hereof.

3. **RESPONSIBILITIES:**

a. Company will provide services as enumerated in the Scope of Services and Pricing with the care and skill ordinarily exercised by reputable members of its profession practicing under similar conditions during the period of this Services Agreement.

b. Client will provide all information necessary and access to information, staff and facilities as needed so that work can be conducted by Company in an economical, timely and safe manner.

c. The fees listed in the Scope of Services and Pricing is the amount owed to the Company for the services provided by Company under this Agreement.

d. Invoices will be submitted to Client every month for work performed during the month. The Client shall make payments in accordance with Section 7. a. of this Agreement.



4. INDEMNITY AND INSURANCE:

a. Company shall indemnify and hold harmless Client against losses, damages and claims, demands, actions, costs (including reasonable attorney fees), and fines of any kind resulting from any breach of this Agreement by Company, its employees, agents, subcontractors or licenses, of their obligation under this Agreement, or from any negligence or misconduct by Company, its employees, agents, subcontractors or licensees, but only for the proportion of damages which is equal to Company's proportion of the total fault which directly caused the damages.

b. Client shall indemnify and hold harmless Company against losses, damages and claims, demands, actions, costs (including reasonable attorney fees), and fines of any kind resulting from any breach of this Agreement by Client, its employees, agents, subcontractors or licenses, of their obligation under this Agreement, or from any negligence or misconduct by Client, its employees, agents, subcontractors or licensees, but only for the proportion of damages which is equal to Client's proportion of the total fault which directly caused the damages.

c. Company carries coverage and limits of liability insurance for the Company's own negligence as required by law and/or Client requirements. These include, but are not limited to the following:

- i. Workers Compensation
- ii. Employers' Liability
- ii. Comprehensive General Liability with the following coverage:
 1. Bodily Injury
 2. Property Damage
 3. Personal Injury
 4. General Aggregate
 5. Product
 6. Fire Damage
 7. Medical Expense
- v. Physical Loss insurance sufficient to cover loss or damage to Company's owned or leased equipment.
- v. Excess Umbrella Liability. Company's policy provides coverage in addition to each of the coverages listed above including Comprehensive
- vi. General Liability and Company Liability.

Company shall provide Certificates of Insurance to Client on request documenting all coverages, limits and endorsements within ten (10) days of request. The liability insurance policies shall have a minimum of one million dollars (\$1,000,000) per occurrence and shall name the Client as an additional insured.

5. DATA PRACTICES: Pursuant to Minnesota Statutes, Section 13.05, subd. 11, all of the data created, collected, received, stored, used, maintained, or disseminated by Company in performing this Agreement is subject to the requirements of the Minnesota Government Data Practices Act ("MGDPA"), Minnesota Statutes, Chapter 13, and Company must comply with those requirements as if it were a government entity. Company does not have a duty to provide access to public data if the data are available from Client, except as required by the terms of this Agreement.



6. **NON-DISCRIMINATION:** Pursuant to Minnesota Statutes, Section 181.59, Company will ensure that applicants are selected, and that employees are treated during employment, without regard to their race, color, creed, religion, national origin, sex, sexual orientation, marital status, status with regard to public assistance, membership or activity in a local civil rights commission, disability or age.

7. **PROMPT PAYMENT OF LOCAL GOVERNMENT BILLS:** All payments to Company shall be governed by the Prompt Payment of Local Government Bills, Minnesota Statutes, Section 471.425 (“Prompt Payment Act”), provided, however, that the interest rate for payments due but unpaid shall be four percent (4.00%) per annum. The statute requires invoices to be paid within 35 days of receipt, unless Client has notified Company within 10 days of receipt that the invoice is incorrect or otherwise improper, and in that case Client will make payment for the corrected invoice within 35 days of receipt.

8. **PROMPT PAYMENT TO SUBCONTRACTORS:** In accordance with Minnesota Statutes, Section 471.425, Company must pay any subcontractor within ten (10) days of Company’s receipt of payment from Client for undisputed services provided by the subcontractor. Company is to pay interest of one and one-half percent (1.5%) per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of one-hundred dollars (\$100) or more is ten dollars (\$10). For an unpaid balance of less than \$100, Company shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from Company must be awarded its costs and disbursements, including attorney’s fees, incurred in bringing the action.

9. **INDEPENDENT CONTRACTOR STATUS:**

a. Company is performing services under this Agreement as an independent contractor and its employees are not employees or agents of Client. Client’s financial obligation to Company is limited to the fees specified in this Agreement. No withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due Company, and it is Company’s sole obligation to comply with the applicable provisions of all Federal and State tax laws.

b. Because Company is an independently established business, its employees are not eligible for and shall not participate in any fringe benefits available to Client’s employees, including, but not limited to, health, disability, life, retirement or deferred compensation.

c. All individuals providing services to Client under this Agreement, including but not limited to the individuals in the positions specified in the Scope of Services and Pricing, are employees of Company, and thus Company has sole discretion to hire, supervise, and terminate the employment of such individuals. However, Client shall have the right, upon notice to Company, to preclude certain individuals from providing services to Client.

10. **COMPLIANCE WITH LAWS:** Company shall abide by all Federal, State and local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted



pertaining to this Agreement or to the facilities, programs and staff for which Company is responsible.

11. **AUTHORITY TO CONTRACTOR AND ASSIGN:** Company has no authority to enter into contracts on behalf of Client, unless expressly granted such authority, in writing, by Client’s School Board or its designee. Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Company without the prior written consent of Client.

12. **TERMINATION:** Neither party will have a right to terminate this Agreement for convenience unless a termination fee in the amount of the remaining contract is paid to the Company.

13. **SEVERABILITY:** The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof shall not affect the validity and enforceability of the other provisions hereof.

14. **WAIVER OF BREACH:** The waiver of either Company or Client of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either Company or Client.

15. **AMENDMENTS:** No amendment or variation of the terms and conditions of this Agreement or any attachment hereto shall be valid unless the same is in writing and signed by all of the Parties hereto.

16. **THIRD PARTIES:** The Client and the Company are the only Parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide, any right or benefit, whether directly or indirectly or otherwise, to third persons.

17. **ENTIRE AGREEMENT:** This is the entire agreement of the parties and supersedes all prior written and oral communications between them with respect to the subject matter hereof. Any change, alteration or modification of this agreement must be in writing and signed by the parties and cannot be changed or modified orally.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have hereunto set their respective hands and seals or have caused it to be executed by their duly authorized representatives.

COMPANY:
CESO Transportation, LLC

CLIENT:
Red Wing Public School District 256

Name, Title

Name, Title

Date:

Date:



Addendum 1: Scope Of Services and Pricing

CESO Transportation, LLC (CESO) shall provide transportation services to the Red Wing Public Schools (RWPS) in the manner and at the pricing described herein.

1. Management Services

- a. *Account Leadership* - CESO will assign an account leader by name who will be directly responsible to RWPS leadership for the ongoing success of this Agreement. The CESO account leader will oversee the CESO team assigned to the RWPS contract and will be the senior CESO liaison for all matters related to CESO's contractual obligations and performance. At a minimum, this will include developing and presenting a performance summary during a quarterly contract performance meeting with a designee identified by the RWPS.
- b. *Account Management* - CESO will assign an account manager by name who will be directly accountable to the RWPS for meeting all CESO contractual obligations and for the overall performance of the CESO team. The account manager will serve the RWPS as its on-call transportation expert. In this role, they will be the primary advocate for the RWPS to ensure the transportation program operates at the highest possible level of efficiency and effectiveness and that RWPS administrators receive the information they need to understand the status of the RWPS transportation service. The specific functional responsibilities of the account manager will vary depending on circumstances but will include, at a minimum:
 - Providing on-call expertise and advice.
 - Meeting attendance and reporting on a per-request basis, such as for School Board presentations and Superintendent cabinet meetings.
 - Providing on-demand responsiveness to all levels of the RWPS administration, such as responding to questions or concerns from building principals.
 - Coordinate service delivery plans and daily operations with the RWPS bus company.
 - RFP Coordination for Transportation Operations.

The account manager's time expended on these activities will be tracked and reported to the RWPS monthly throughout the term of this Agreement. CESO will work cooperatively with the RWPS to ensure this time is planned and utilized effectively. CESO and RWPS agree that this time will not be expended evenly throughout the year. That time expended in excess of the Agreement minimum hours specified in the Pricing section of this Agreement may be required to ensure operational success. CESO will monitor trends and alert the RWPS if CESO expects the annual time expended to exceed the Agreement minimum by more than fifteen percent (15%). At that time, CESO and the RWPS agree to adjust the account



manager's assigned activities, the Agreement minimum hours for this service, or both.

The cost of Account Leadership services will be invoiced monthly as a fixed price component and Management Services will be invoiced monthly based on the Agreement maximum number of hours, as indicated in the Pricing section of this Agreement.

2. Annual Route Planning Services

a. CESO will be responsible for developing and ensuring the accuracy, efficiency, and effectiveness of the RWPS transportation routes. This will be a recurring seasonal activity during each year of this Agreement. These services will commence in January of each calendar year for routes that become operational at the start of the following school year. This activity will be staffed and completed by a CESO routing specialist identified by name and assigned by CESO based on availability, expertise with the routing software designated for use in this Agreement, and knowledge of the Red Wing Public Schools. Specifically, these services will include:

- Develop, document, and deliver an annual route development plan no later than January 31st of each year of this Agreement, with tasks, timelines, milestones, deadlines, and responsibilities covering the entire planning timeline and concluding with the start of school in the following school year.
- A coordination meeting is to occur between the CESO account manager, routing specialist, and RWPS designees as soon as feasible after the delivery of the route development plan to identify, discuss, and document routing efficiency and effectiveness objectives for the following school year. CESO and RWPS agree to work cooperatively to identify whether any of the subsequent planning efforts require add-on Consulting Services as described herein.
- Develop and document new transportation routes and schedules for the following school year in accordance with the milestones identified in the plan.
- Distribution of routing information to all stakeholders before the start of school in accordance with the milestones as documented in the plan.

The cost of this Annual Route Planning Services will be invoiced monthly as a fixed price component as indicated in the Pricing section of this Agreement.

3. Daily Operational Services

a. *Customer Service* - CESO will provide a call center-based service from 6:00 AM to 6:00 PM Central Time to coincide with each school day identified on the RWPS school calendar and for 30 additional working days during each year of this Agreement. CESO and RWPS agree to work cooperatively to identify the days in which the call center service will be available when the RWPS is not in session.

CESO will utilize call center management technologies identified in this Agreement to monitor, prioritize, address, and resolve RWPS customer service events including



inquiries, requests, and complaints. CESO will comply with the following minimally acceptable standards in the provision of these services, except for the two weeks preceding and the two weeks following the first day of school:

- Answer a minimum of ninety percent (90%) of all telephone calls in the order they are received.
- Place outbound telephone calls to acknowledge all voicemail messages within two (2) hours of receipt.
- Acknowledge all email inquiries on the same day of receipt.
- Work cooperatively with the RWPS to develop, document, and comply with additional standards of service, as required.

CESO will report monthly on the number and type of customer service events administered on behalf of the RWPS, and the results achieved in meeting the standards of service as described.

- b. *Operational Oversight* - CESO will monitor the daily bus operations of the RWPS bus company and will communicate relevant operational information to affected RWPS families and staff utilizing the technologies identified in this Agreement. CESO will comply with the following minimally acceptable standards in the provision of these services during each day that buses are operating, except for the two weeks preceding and the two weeks following the first day of school:

- CESO will communicate with families and RWPS staff if buses are running more than twenty (20) minutes later than planned.
- CESO will communicate with designated RWPS staff immediately upon receiving notice of any on-road accident or incident when RWPS students are involved. CESO agrees to comply with any RWPS guidance regarding further communication requirements with families and staff.
- CESO agrees to work cooperatively with the RWPS to develop, document, and comply with additional standards of service, as required.

CESO will report monthly on the number and type of operational events monitored on behalf of the RWPS, and the results achieved in meeting the standards of service as described.

- c. *Daily Route Maintenance* - The CESO team will perform daily route maintenance activities up to and including adding, changing, and deleting student assignments, reassigning students to bus stops, placing bus stop locations, or adjusting route paths within parameters established by the account manager in cooperation with the RWPS. All other routing activities, such as the addition or deletion of bus routes, or changes falling outside of the established parameters, will be addressed as part of the Annual Route Planning Services or Consulting Services, as appropriate and as described in this Agreement. CESO will comply with the following minimally acceptable standards in the provision of these services, except for the two weeks preceding and the two weeks following the first day of school:



- Complete all required route maintenance activities falling within the established parameters within four (4) working days of receiving the required information.
- Resolve all requests received that fall outside the established parameters within five (5) working days of receipt.

CESO will report monthly on the number and type of route maintenance events monitored on behalf of the RWPS, and the results achieved in meeting the standards of service as described.

The cost of Daily Operational Services will be invoiced monthly as a fixed price component as indicated in the Pricing section of this Agreement.

4. Technology Services

a. *CESO Transportation Technology Platform* – The following technologies will be provided by CESO after January 1st, 2025 and will be utilized to support the services provided in this Agreement:

- *Route Planning and Route Maintenance Services* – CESO will utilize *EZRouting*, the route development and route management software included within the CESO Technology Platform. An installation of this software will be dedicated exclusively to RWPS, and no functionality or data will be shared with any other CESO customer. RWPS staff will be provided with login-based access to this system on request. All data maintained within this system will remain the property of the RWPS and will be provided to the RWPS on request and on termination of this Agreement in a format acceptable to the RWPS.
- *Operational Oversight Services* – CESO will utilize *EZDistrict*, a suite of add-on operational management applications that integrates seamlessly with *EZRouting* and will accept a GPS data feed from the RWPS bus company. This will be utilized to facilitate real-time monitoring and reporting of bus operations via the following capabilities:
 - i. *A Parent Application* available via download to the mobile phones of RWPS families.
 - ii. *Instant messaging* and *group messaging* from within the *EZRouting/EZDistrict* suite and sent via email and through the parent application in multiple languages.
 - iii. *Bus operations* data capture and reporting to monitor and analyze the daily performance of the RWPS bus company.
 - iv. *Data synchronization* in real-time and/or via overnight transfers to/from external systems, such as the RWPS student information system.
- *Daily Operational Services* – CESO will utilize *Genesys*, the call center management, and *Rotulu*, the customer event tracking and workflow management software applications as the operational services components of the CESO Transportation Technology Platform. CESO and RWPS agree to work cooperatively to establish telephone, email, and customer service protocols that



will meet the needs of the RWPS transportation program and the standards of service requirements of this Agreement.

- b. *RWPS Technology* – RWPS agrees to provide the following elements of data integration necessary to support the services and standards described herein:
 - *Student Information System* – RWPS agrees to provide access to the *Synergy* student information system for the purpose of accessing student information. This access will be via data integration with the CESO Transportation Technology Platform as described, and via a reasonable number of secure login-based accounts for CESO staff as deemed necessary for meeting the terms and conditions of this Agreement.
 - *Telephone and email access* – RWPS agrees to work cooperatively with CESO to establish protocols for administration, staff, and families to access the *Genesys* telephone system and for email access for the purpose of customer service, and as deemed necessary for meeting the terms and conditions of this Agreement.
- c. *RWPS bus vendor systems integration* – RWPS agrees to work cooperatively with CESO to gain access to data and information originating with the RWPS bus contractor and as necessary to support the services and standards described in this Agreement:
 - *GPS data access* – Details TBD.

The cost of Technology Services will be invoiced monthly as a fixed price component as indicated in the Pricing section of this Agreement.

5. Consulting Services

- a. *As Needed Consulting Services* – CESO and RWPS agree to work cooperatively to define and document a scope of work to accomplish any required service not otherwise included in this Agreement. CESO agrees to perform such services, to document and report on the level of effort expended, and to charge only the amounts identified in the Pricing section of this Agreement.

6. Pricing

- a. RWPS agrees to compensate CESO for the services described in this Agreement in accordance with the following Pricing Matrix:
- b. RWPS agrees that, should the term of the Service Agreement be extended, the annual pricing shall increase by three percent (3%) for each subsequent year of service.
- c. RWPS and CESO agree that the start date for applying the annual cost of CESO Technology, as identified in paragraph 4a of this Agreement and itemized in the Pricing Matrix, will be deferred until January 1, 2024. The initial monthly invoice amount will be discounted to account for this deferral. Please see below:



Pricing for 7/1/24-12/31/24:

Service (Agreement Section)	Billing Type	Unit Minimum	Unit Cost	Monthly Invoice
1a. Account Leadership	Fixed	1	1,000.00	83.33
1b. Account Management	Hourly	100	135.00	1,125.00
2a. Annual Route Planning	Fixed	1	5,500.00	458.33
3a. Daily Customer Service	Fixed	1	15,000.00	1,250.00
3b. Operational Oversight	Fixed	1	12,250.00	1,020.83
3c. Daily Route Maintenance	Fixed	1	17,000.00	1,416.67
4a. CESO Technology	Fixed	1	1,000.00	83.33
4b. RWPS Technology	Fixed	1	-	-
4c. Bus Contractor Technology	Fixed	1	-	-
5a. As-Needed Consulting Services	Hourly	0	150.00	-
Contract Totals				5,437.50

Pricing for 1/25-6/30/25:

Service (Agreement Section)	Billing Type	Unit Minimum	Unit Cost	Monthly Invoice
1a. Account Leadership	Fixed	1	1,000.00	83.33
1b. Account Management	Hourly	100	135.00	1,125.00
2a. Annual Route Planning	Fixed	1	5,500.00	458.33
3a. Daily Customer Service	Fixed	1	15,000.00	1,250.00
3b. Operational Oversight	Fixed	1	12,250.00	1,020.83
3c. Daily Route Maintenance	Fixed	1	17,000.00	1,416.67
4a. CESO Technology	Fixed	1	5,000.00	416.67
4b. RWPS Technology	Fixed	1	-	-
4c. Bus Contractor Technology	Fixed	1	-	-
5a. As-Needed Consulting Services	Hourly	0	150.00	-
Contract Totals				5,770.83

Overall annual Pricing for 7/1/24-6/30/25:

Service (Agreement Section)	Billing Type	Unit Minimum	Unit Cost	Annual Cost
1a. Account Leadership	Fixed	1	1,000.00	1,000.00
1b. Account Management	Hourly	100	135.00	13,500.00
2a. Annual Route Planning	Fixed	1	5,500.00	5,500.00
3a. Daily Customer Service	Fixed	1	15,000.00	15,000.00
3b. Operational Oversight	Fixed	1	12,250.00	12,250.00
3c. Daily Route Maintenance	Fixed	1	17,000.00	17,000.00
4a. CESO Technology (7/1/24 - 12/31/24)	Fixed	1	500.00	500.00
4a. CESO Technology (1/1/25 - 6/3/25)	Fixed	1	2,500.00	2,500.00
4b. RWPS Technology	Fixed	1	-	-
4c. Bus Contractor Technology	Fixed	1	-	-
5a. As-Needed Consulting Services	Hourly	0	150.00	-
Contract Totals				67,250.00