

May 20, 2020

First Student, Inc.  
11911 Champlin Drive  
Champlin, MN 55316  
402.321.3598 tel

Mr. Karsten Anderson  
Superintendent  
Red Wing Public Schools  
2451 Eagle Ridge Drive  
Red Wing, MN 55066

Dear Mr. Anderson:

First Student (FS) appreciates the opportunity to offer a proposal to Red Wing Public Schools. Our proposal includes adjusting the rates for the upcoming 2021-22 school year to accommodate a two-tier routing system along with a two year extension for the 2022-23 and 2023-24 school years. Continuing to provide safe, reliable and efficient transportation continues to be our driving force each day.

As you know, COVID-19 has created many challenges. Keeping ahead of the challenges is upmost important in public education. FS is willing to help the District by adjusting to a two-tier routing system in the last year of the current contract. We estimate that by doing this the savings to the District would be approximately \$150,000 in 2021-22 which includes reducing 3 routes. Those savings would continue in the 2 extension years as well.

With the driver shortage continuing in Minnesota, FS is utilizing extensive recruiting techniques and hiring bonuses of up to \$3000. The starting wage for 2021-22 is set at \$18.75 per hour with increases projected in the extension years. Buses will continue to be replaced with propane units where applicable to meet contract specifications. All other terms of the current contract would remain in effect including the FirstView bus tracking app at no additional charge.

The updated rate sheet which includes moving from a 3 hour route live time to a 4 hour route live time is attached for the 2021-22 school year two-tier routing system. The two extension years are also included on the rate sheet at a 2.5% increase each year for 2022-23 and 2023-24. There is also a note at the bottom of the rate sheet for adjustments to the number of routes up and down from the projected 33 routes.

Should the District decide to remain in the same one-tier routing system with a 3 hour route live time as it is in the current contract, we have included a rate sheet for that as well with 2.5% increases in 2022-23 and 2023-24.

FS understands the requirements of Red Wing Public Schools and is committed to providing safe, efficient, world-class pupil transportation to the Red Wing community. We take pride in transporting the District's most precious cargo to and from school each day. Thank you for the opportunity to provide this proposal. Please feel free to contact me with any questions you may have.

Respectfully,

**First Student, Inc.**



Phil O'Donnell  
Area General Manager