

**AGREEMENT FOR TRANSPORTATION OF E-12 GENERAL EDUCATION
AND
SPECIAL EDUCATION TRANSPORTATION**

Owatonna Public Schools ISD # 761
Owatonna, MN 55060

In accordance with Minnesota Statutes, Section 123B.52, subdivision 1 and 3, this Agreement is made and entered into as of the 20th day of June 2024 by and between Independent School District #761, Owatonna, Minnesota, hereinafter “School District” and Owatonna Bus Company, Inc. hereinafter “Contractor.”

I. Duration and Termination

This Agreement is for a term July 1, 2024, through June 30, 2027. Plus, the option to renew for two more years from July 1, 2027 through June 30, 2029. This is a 3 + 2-year agreement. Transportation services pursuant to this Agreement include E-12 regular transportation and Special Education Transportation. Rates for SY 2024-2025 are outlined in Exhibit A&B. Rates for SY 2025-2026 will be directly negotiated by both parties in January at which time rate percentages will be established for the remaining years of this contract.

Termination Policy as follows: (1) either Party (School District or Contractor) may terminate this Agreement without cause effective at the beginning of a school year, with ninety (90) days’ written notice to the other Party; (2) the School District may terminate this Agreement for cause at any time with a sixty (60) days’ written notice to the Contractor. The Parties may agree, in writing, to a reasonable period for the Contractor to correct the reasons for termination in lieu of termination of the Agreement; (3) the Contractor may terminate this Agreement based on a material breach of the Agreement, with sixty (60) days’ written notice to the School District. The Parties may agree, in writing, to a reasonable period to cure the breach in lieu of termination of the Agreement.

II. Services to the School District

The Contractor shall furnish the equipment, vehicles, and personnel to provide daily to and from transportation to E-12 general education and special education students within and outside the School District to various schools and locations. Such services shall be provided according to a time schedule, pick-up, and drop-off locations, and/or routes established by the Contractor, in cooperation with the School District. E-12 general education student pick up and drop off locations shall be established at designated locations in cooperation with the Contractor. Special education students must be picked up immediately in front, or as near as possible to the student’s home. Temporary modifications to schedules, locations, and/or routes may be made due to weather conditions, road construction or other temporary conditions, unless otherwise specified by the School District or by State Rule, Regulation and/or Laws governing student transportation.

III. Vehicles and Equipment

The Contractor shall maintain all vehicles contracted to Owatonna Public Schools required by Minnesota Statutes: 169.4501 School Bus Equipment Standards; 169.4502 Additional Minnesota School Bus Chassis Standards; 169.4503 Additional Minnesota School Bus Body Standards; 169.4504 Additional Standards for Specially Equipped and 169.451 Inspecting School and Head Start Buses; Rules.

All Contractor vehicles shall display a current Minnesota Annual Inspection School Bus Inspection Decal issued by the Minnesota Department of Public Safety – State Patrol Office of Pupil Transportation Safety, pursuant to Minnesota Statute 169.451, and Minnesota Rules under 7470, governing student transportation. The Contractor upon written request, shall provide copies of the State Patrol annual inspection reports to the district. The Contractor shall provide enough vehicles to ensure daily “home to school, school to home” transportation in addition to school related activities. The Contractor working with the district shall ensure vehicles do not exceed maximum seating capacities set forth by the vehicle manufactures.

The Contractor, as a regular course of business, shall maintain vehicles in good working order as required by law. The Contractor, upon written request, shall provide maintenance records for vehicles operated under this contract. The Contractor shall provide the district with a copy of the current vehicle fleet schedule for vehicles operated under this contract.

A. At a minimum, all vehicles shall be equipped with:

1. A form of 2-way communication
2. Audio Visual Recording System. Type C (full size) buses shall be equipped with a minimum of two cameras. Cameras shall be placed on the front and rear interior bulkheads; Type A, Type III (special needs buses, vans), shall have a minimum of one camera in the frontal area of the vehicle to record activities within compartment. Audio visual recording system shall be of a type approved by the school district in cooperation with the Contractor. Upon request, the Contractor shall provide the District or its designee, access to audio visual recordings for a specific incident.

B. Special Needs Transportation and Equipment. The Contractor shall provide Type A and Type III vehicles as needed to fulfill the district transportation needs. These vehicles shall be equipped with wheelchair lifts, booster / age and size appropriate car seats, and safety vests as required in the students Individual Educational Plan (IEP) covering transportation. Other equipment may come with an additional charge. The School District reserves the right to assign its employees to a vehicle to meet the needs of a student.

C. The district shall provide the Contractor with information necessary to safely transport students with disabilities per Minnesota Rule 7470.1700 – DRIVERS AND AIDES FOR PUPILS WITH DISABILITY. Additionally, the Contractor in cooperation with the district shall provide training as required under 7470.1700 Sub part. 3 – Training for drivers and aides assigned to special needs student transportation.

IV. Personnel

- A. The Contractor shall employ qualified drivers and support personnel to assure continuous and reliable service. The Contractor shall ensure drivers contracted to the district meet all driver qualifications pursuant to Minnesota Statue Chapter 171 – Driver License- which governs student transportation and includes a background check. On a regular basis the Contractor shall verify the driver license status to ensure the driver is properly licensed for the vehicle or vehicles operated. The District may request, in writing, the records pertaining to the annual verification inquires.
- B. The Contractor shall provide annual training as required by Minnesota Statute 171.321 Subd. 4 – Training. The training shall meet at a minimum the following competencies: (1) safely operate the type of school bus the driver will be driving; (2) understand student behavior, including issues relating to students with disabilities; (3) encourage orderly conduct of students on the bus and handle incidents of misconduct appropriately; (4) know and understand relevant laws, rules of the road, and local school bus safety policies; (5) handle emergency situations, and; (6) safely load and unload students.
- C. The Contractor shall ensure all employees and drivers subject to the United States Department of Transportation (USDOT), Federal Motor Carrier Safety Administration (FMCSA) – Drug and Alcohol Testing Program under 49CFR 382 and Part 40, are subject to the testing requirements set forth by regulation e.g., pre-employment, random and reasonable suspicion. Additionally, the Contractor will conduct a pre-employment / annual inquiry of the FMCSA Drug and Alcohol Clearinghouse database to ensure the drivers initial and continued licensing eligibility per federal rule.
- D. The District shall provide the Contractor with all applicable school written policies, procedures, and rules.
- E. The Contractor is responsible to supervise, monitor, train and discipline its drivers to ensure proper performance and conduct, including, but not limited to:
 - 1. All staff actively involved in direct student transportation shall carry appropriate identification badges.
Carrying a timepiece or other means of monitoring time, while on duty to maintain established schedules.
 - 2. Maintain professional and proper conduct in the presence of students and parents/guardians.
 - 3. No unauthorized person shall be allowed in vehicles while it is engaged in the transportation of students.

4. No cell phone use by drivers while operating a vehicle, except as allowed under Minnesota Statute 169.443 Subd. 9.
 5. The driver shall load and unload students only at approved student stops as directed / assigned by the District Transportation Department or Designee.
 6. Compliance with District health & safety guidelines.
- F. The Contractor is responsible for the hiring, supervision, and discharge of its personnel; however, the School District reserves the right, with written notice to the Contractor, to require the Contractor to remove an employee from providing service to the School District.
 - G. The Contractor shall identify one or more individuals in its employ who will serve as driver trainer(s) and will notify the School District of the identity of the individual(s) upon request.
 - H. The Contractor shall provide a supervisor to oversee vehicles, personnel, and transportation service, and the supervisor shall also serve as a liaison to School District staff. The supervisor shall not be assigned transportation duties but may serve as a substitute driver if doing so does not interfere with his/her supervisory duties. The supervisor must attend all meetings as required by the School District, including, but not limited to crisis management meetings, city/county meetings, open houses, safety, and service-related meetings, to support the common goal of safety and service to students and the community. The District must have access to a liaison in the event of emergencies during the school year.
 - I. The Contractor is performing services under this Agreement as an independent contractor and it and its officers and/or employees are not employees or agents of the School District. Neither party is a legal representative of the other party, and neither party can assume or create any obligation, representation, warranty or guarantee, express or implied, on behalf of the other party for any purpose whatsoever. The School District's financial obligation to the Contractor is limited to the compensation specified in this Agreement. The Contractor is responsible for and holds the school district harmless from any liability for unemployment taxes or contributions, payroll taxes, workers compensation premiums/contributions and all other state or federal obligations of employers.

V. Safety Programs, Accident Reports, Crisis Management

- A. The Contractor shall administer an effective driver safety program. This includes all aspects of School Bus Safety, including vehicle/equipment operations, student safety, student discipline, as well as customer and public relations.
- B. A supervisor, CDL trainer, or designee shall perform an annual pre-trip and behind the wheel evaluation for the purpose of evaluation with respect to safety, mechanical

- operation, and conformance with applicable laws, and regulations per applicable Minnesota Statutes 169 and 171, Minnesota Rule 7470. The supervisor, CDL trainer or designee shall complete the Office of Pupil Transportation required documents; Appendix A – Driver Evaluation; Appendix B – Driver Pre-trip Evaluation and Appendix D – Driver Certification and Appendix E-Survey Test. Upon written request the district may request copies of these documents to ensure compliance.
- C. In addition to annual pre-trip and behind the wheel evaluations, a minimum of six (6) hours of in-service training must be done with all drivers on an annual basis. The training is at the discretion of the Contractor and may consist of a combination of safety meetings, online training, newsletters, and any other combination deemed relevant. A representative from the School District or its designee may attend these meetings, and the Contractor will provide any training required by the School District.
 - D. The Contractor shall identify at least one person to be the “School Bus Trainer”.
 - E. The School Bus Safety Training Supervisor shall meet with the District as requested to update the district on training programs, topics discussed or covered during safety meetings. The Contractor shall maintain “Best Practices” approach in school bus training.
 - F. School bus safety training must be documented for all drivers, and this documentation must be provided to the School District as requested.
 - G. The Contractor is responsible for performing two emergency bus evacuation trainings as required per Minnesota Statute 123B.90. The evacuations will take place after morning routes in coordination with the elementary school staff and there may be an additional charge.
 - H. In the event of an accident, a verbal report will be made to the school staff and District administration. Upon request a written report detailing the accident will be submitted.
 - I. The Contractor will comply with the School Crisis Management Policy. A copy of the Policy will be provided to the Contractor.

VI. Student Management/Discipline

- A. The Contractor’s drivers/employees shall be responsible for enforcement of School District rules on student conduct while present on vehicles. Drivers will submit conduct reports as directed by the School District.
- B. The cost of repairing damage to the Contractor’s vehicles, equipment or other property caused by student vandalism or other misconduct is the Contractor’s responsibility; however, the School District shall provide reasonable assistance in obtaining restitution for the Contractor.
- C.

VII. Data Practices

All data collected, received, used, maintained or disseminated for any purpose in the course of Contractor's receipt of data pursuant to this Agreement is governed by the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 (as amended) ("MGDPA"), the Minnesota Rules promulgated pursuant to the MGDPA, the United States Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g (as amended) ("FERPA") and its implementing regulations and/or other applicable State and Federal laws. No educational data, as defined by the MGDPA, other nonpublic, private or confidential data as defined by the MGDPA, or education record, as defined by the FERPA, may be released by Contractor, or any of Contractor's employees, owners, agents, or representatives to any third party without the express written consent of the School District. This provision specifically includes, but is not limited to, any media relations. The Contractor is responsible for informing and training its employees regarding maintaining the data privacy of students and parents/guardians.

VIII. Indemnification and Insurance

- A. The Contractor shall defend, indemnify and hold harmless the School District, its current and former employees, board members, agents and volunteers 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 the Contractor or from the neglect, act or omission of the Contractor or its employees/agents, except to the extent that the loss, damage, claim, demand or action arises from or is solely caused by the negligence or willful misconduct of the School District, its agents or employees. This provision is not intended to waive any defenses or limits under the Municipal Torts Claims Act or any other statutory or common law defenses.
- B. The Contractor will maintain liability insurance coverage protecting the Contractor and its employees, the School District and its board, officers, employees, and agents, including but not limited to, the following:
 - 1. Automobile Liability: \$1,000,000 combined single limit covering all owned, hired, and leased vehicles.
 - 2. Commercial Liability on a CG0001 or equivalent for Bodily Injury that may arise out of or result from the Contractor's operations under this Agreement, whether operations be by the Contractor, or anyone directly or indirectly employed by it or by anyone for whose acts the Contractor may be liable. The policy shall contain a severability or separation of insureds clause. \$1,000,000 each Occurrence/\$2,000,000 General Aggregate combined single limit/\$2,000,000 products/completed operations/\$1,000,000 persona/Advertising injury.
 - 3. Umbrella Liability \$5,000,000 each Occurrence excess over the General Liability. Automobile Liability and Employer's Liability. Additional

insured is following form to the primary. The coverage is primary and noncontributory to any insurance available to additional insureds. Coverage shall be no less restrictive than the underlying.

4. Workers Compensation insurance shall be maintained as required by law and include Employer's Liability with limits of not less than \$500,000. A waiver of subrogation in favor of the School District, its board members, employees, and agents.

The Contractor shall provide the School District with Certificates of Insurance documenting all coverages, limits, and endorsements within ten (10) days of execution of this Agreement, and it shall name the School District as an additional insurer.

IX. Compensation

In consideration for the services rendered pursuant to the Agreement, the School District shall pay directly to the Contractor all sums due and owing in accordance with the rates set forth in *Exhibit A and Exhibit B* attached hereto. Contractor will be paid for all scheduled school days in accordance with the Board approved calendar for each school year. This includes e-learning days and snow days. Invoices to be paid by the 15th of the month following the month of service. If Owatonna Bus Company incurs additional fees or taxes due to compliance with any new local, state or federal mandated regulations beyond Contractor's control (e.g., Changes to unemployment insurance, adoption of paid safe and sick time, and/or paid Family Leave laws) Contractor will meet with the District to negotiate financial assistance from the District. Rates for SY 2024-2025 and SY 2025-2026 are outlined in Exhibit A & Exhibit B. Extended year rates will be directly negotiated by both parties in January of each year of the contract term.

X. Force Majeure

In the event the Contractor is unable to provide the transportation services, in whole or part, specified in this Agreement due to an act of nature, civil disturbance, fire, flood, war, governmental action, epidemic, pandemic, health/safety emergency, strike, lockout, or any condition or cause beyond the Contractor's control, the School District may excuse the Contractor from performance under this Agreement and at the School District's discretion it may immediately terminate this Agreement or reduce compensation to the Contractor under Exhibit A and B accordingly.

XI. Changes to Route Schedules

At the request of the District, Contractor will adjust daily schedule for late starts, early release day and emergency evacuations.

XXI. Fuel Charges

The Contractor shall furnish all fuel to be used in its performance of the Contract.

The Contractor's compensation for services rendered under this Agreement shall be adjusted monthly to reflect changes in the Contractor's cost of fuel. The Contractor's "Base Fuel Cost" shall be \$2.00 per gallon of liquid propane, \$3.00 per gallon of unleaded fuel, \$3.00 per gallon of diesel, inclusive of applicable federal taxes. The School District agrees to share the excess cost on a 50/50 basis. Contractor will provide fuel invoices if requested by the School District. The Contractor will invoice the School District monthly for fuel.

XXII. Facilities

The Contractor shall maintain a terminal and office that are not more than ½ hour from the furthest point within the School District. The facility must have adequate phone service, internet service, and a facsimile machine.

XXXIII. Non-Discrimination

The Contractor shall comply with all state and federal anti-discrimination laws, including, but not limited to the Minnesota Human Rights Act, the Equal Employment Opportunity Act, and Title IX of the Educational Amendments of 1972.

XV. Reports

The Contractor will furnish the following reports upon request.

1. Driver report. This report must include the name of each driver (route and sub drivers).
2. Driver Training report. This report will show the driver's training during the school year. Should include date, safety topics, and hours.
3. Fleet report. This report must contain all vehicles used (routes and spares) for the purpose of transporting students in the district.
4. Staffing report. This report must include a list of all non-driving staff used by the contractor to fulfill this contract (Management, Dispatch, Trainers etc.).
5. Other reports upon request.

XVI. Applicable Law

This Agreement shall be deemed to be made in and shall be construed in accordance with the laws of the State of Minnesota.

XVII. Survival

If this contract is terminated prior to the expiration of this Agreement by either party, the parties shall be responsible for its contractual obligations for compensation and indemnification for services rendered up to the termination date. Any obligations or liabilities incurred by either party prior to the termination date shall remain in effect until satisfied. All other rights and obligations of the parties under this contract shall cease upon termination.

XVIII. Severability

In the event any provision of this Agreement 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.

XIX. Modification

The Contractor and the School 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.

XX. Notice To Parties

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

Notices to the School District shall be addressed to:

Lori Volz
Director of Finance & Operations
Owatonna Public Schools #761
333 E. School Street
Owatonna, MN 55060

Notices to the Contractor shall be addressed to:

Kathryn Kreutter
Owatonna Bus Company
P.O. Box 583
Owatonna, MN 55060

Either the School District or the 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.

XXI. Entire Agreement

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

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this _____ day of _____, 2024.

Dated: _____

Owatonna Bus Co, Inc.

By _____
Its _____

Dated: _____

Independent School District No. 761

By _____
Its _____