

Illinois School Bus Company

Alpha School Bus Company

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October 9, 2025

Dr. Merryl B. Brownlow, Ed. D
Superintendent
Palos Heights School District #128
12809 S. McVickers Avenue
Palos Heights, IL 60463

Dear Dr. Brownlow;

As a follow up to our conversation concerning your transportation contract, I wanted to provide you with a written proposal for contract pricing for FY27. Below I have listed some of the areas in our business that are beyond the CPI numbers and have affected our costs since we last discussed pricing.

LABOR

We never stop trying to hire good quality school bus drivers. Besides creative ways to recruit new drivers, increasing wages is required to remain competitive for employees seeking those part-time positions. We expect to increase driver wages between 5.0-6.0% for FY27.

We lose mechanics to the trucking industry and to the auto industry. We simply cannot afford to pay the same wages that they pay. We put a lot of training into our mechanics and as they become more and more ASE certified we need to increase their salaries. We expect to increase their wages between 5.5-6.5% for FY27.

RISK INSURANCE

The renewal of our risk insurance (liability, auto, worker's compensation, SAM, etc.) is now February 1st. For the last 2 years we have received increases of 23% and 21%. We expect a similar type of increase for February of 2026. Six to seven years ago, our risk insurance was about 3% of our overall cost, now it is about 7-8% of our overall cost.

COST OF VEHICLES

To keep our average age of our bus fleet at a manageable level, we replace about 7-10% of our fleet each year. For the past 6-7 years we have only purchased gas or propane engine buses. We do not purchase diesel engines. The cost of new buses continues to rise at alarming levels, and we are being told there is no slowdown to the rising prices. The last 2 years the cost of new buses has increased 12% for 2024 and 15% for 2025.

PAID LEAVE ACT

This on-going benefit (became law on 1/1/24) for our drivers/paras has become an operational nightmare for our locations. Drivers' absenteeism has increased substantially this year (especially Mondays and Fridays). We are trying to hire more drivers so we can create more sub-drivers that are available for these high absenteeism days. Besides the operational issues this creates it is also costing us an additional 2% of our overall cost.

Based on all of the above we are asking for a 7.0% increase for all route price categories, and a 3.0% increase for all field and athletic trips for FY27. (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.

Sincerely,

ILLINOIS SCHOOL BUS CO., INC.
ALPHA SCHOOL BUS CO., INC.

PALOS HEIGHTS SCHOOL
DISTRICT 128



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

TMO/mm

By: _____

Title: _____

Date: _____

Illinois School Bus Company
Regular Education Transportation Proposal for 2026/2027
for Palos Heights School District 128

	<u>2025/2026</u>	<u>2026/2027</u>
Cost of one-way trip from home to school for a 71 Passenger bus	<u>\$ 89.54</u>	<u>\$95.80</u>
Cost of one-way trip from school to home for a 71 Passenger bus	<u>\$ 89.54</u>	<u>\$95.80</u>
[This includes early dismissal bus]		
Cost of one-way trip from home to school for a 90 Passenger bus	<u>\$ N/A</u>	<u>\$ N/A</u>
Cost of one-way trip from school to home for a 90 Passenger bus	<u>\$ N/A</u>	<u>\$ N/A</u>
[This includes early dismissal bus]		
* Cost of athletic trips [minimum 3 hours] and field trips [minimum 3 hours] for the first 3 hours	<u>\$ 223.44</u>	<u>\$230.16</u>
* Cost of athletic trips/field trips – after 3 hours per ¼ hour	<u>\$ 18.62</u>	<u>\$19.18</u>
* Cancellation Fee for athletic trips/field trips that are cancelled less than 24 hours prior to the start of the trip	<u>\$ 85.00</u>	<u>\$87.50</u>

FIELD TRIPS 2026/2027: \$230.16 minimum charge for three hours plus \$19.18 per 1/4 hour thereafter or \$3.52 per mile, whichever is greater, plus parking and tolls, if applicable. Charter trips that are cancelled less than 24 hours prior to the start of the trip are subject to a \$87.50 cancellation fee. Trips that involve bus work between 2:00 - 3:30pm on weekdays, which prevent them from being available for school routes, will be subject to a \$77.70 per bus surcharge. Trips to Chicago airports now require a \$54.00 Chicago Airport Tax.

**ALPHA SCHOOL BUS COMPANY
TRANSPORTATION PROPOSAL (2026/2027) FOR
PALOS HEIGHTS SCHOOL DISTRICT 128**

	<u>Cost/One way Trip</u>	
	<u>2025/26</u>	<u>2026/27</u>
Special Education (AM & PM)	\$235.64	\$252.12

FIELD TRIPS 2026/2027

\$223.92 minimum charge for three (3) hours plus \$18.66 per ¼ hour thereafter or \$3.73 per mile, whichever is greater, plus parking and tolls, if applicable. Charter trips that are cancelled less than 24 hours prior to the start of the trip are subject to an Eighty-Seven Dollars and Fifty Cents (\$87.50) cancellation fee. Trips that involve bus work between 2:00pm and 3:30pm on weekdays, which prevent them from being available for school routes, will be subject to a Eighty-Two Dollars and Forty Cents (\$82.40) per bus surcharge. Trips to Chicago Airports now require a \$54.00 Chicago Airport Tax.