

SCHOOL BUS TRANSPORTATION CONTRACT

THIS AGREEMENT made and entered into on August 18, 2025, by and between **District 2167 (Lakeview Schools)** of 875 Barstad Road North, Cottonwood, MN 56229, of Lyon and Yellow Medicine Counties, Minnesota, hereinafter referred to as "School District," and **Palmer Bus Service of Lakeview, Inc.** of 2200 Carlson Drive, North Mankato, MN 56002-2026, hereinafter referred to as "Contractor."

For the consideration herein expressed, Contractor agrees with the School District:

1. To transport approximately 640 pupils, as designated by the School Board, over school bus routes or as specified by the School Board, for one round trip per school day to and from the school.
2. To provide transportation equipment which at all times will conform to the minimum standards for conventional school transportation as established by state and federal law. This equipment initially will initially be as follows:

VEHICLES PROVIDED BY: Palmer Bus Service of Lakeview, Inc.

LOCATION	BUS #	YEAR	BODY	MAKE	ENGINE	TRANS	PASS
COTTONWOOD	26	2022	BLUE BIRD	VISION	6.7 C	AUTO	77
COTTONWOOD	25	2020	BLUE BIRD	VISION	V-10	AUTO	77
COTTONWOOD	21	2019	BLUE BIRD	VISION	V-10	AUTO	77
COTTONWOOD	23	2017	BLUE BIRD	VISION	6.7 C	AUTO	77
COTTONWOOD	10	2016	BLUE BIRD	VISION	6.8 P	AUTO	77
COTTONWOOD	9	2016	BLUE BIRD	VISION	6.7 C	AUTO	77
COTTONWOOD	8	2015	THOMAS	FRT	6.7 C	AUTO	77
COTTONWOOD	7	2015	BLUE BIRD	VISION	6.8 P	AUTO	77
COTTONWOOD	4	2015	BLUE BIRD	VISION	6.8 P	AUTO	77
COTTONWOOD	3	2014	BLUE BIRD	VISION	6.7 C	AUTO	77
COTTONWOOD	2	2014	THOMAS	FRT	6.7 C	AUTO	83
COTTONWOOD	6	2012	THOMAS	FRT	6.7 C	AUTO	77
COTTONWOOD	1	2012	THOMAS	FRT	6.7 C	AUTO	77
COTTONWOOD	10	2009	BLUE BIRD	VISION	6.7 C	AUTO	77
COTTONWOOD	14	2009	THOMAS	FRT	6.7 C	AUTO	77
		VAN					
COTTONWOOD	61	2020	CARAVAN	DODGE	3.6	AUTO	8
COTTONWOOD	63	2020	TRANSIT	FORD	3.7	AUTO	10
COTTONWOOD	62	2019	CARAVAN	DODGE	3.6	AUTO	8
COTTONWOOD	64	2018	CARAVAN	DODGE	3.6	AUTO	8
COTTONWOOD	60	2011	CARAVAN	DODGE	3.6	AUTO	8

This list will be updated when changes occur.

3. To have the buses maintained by a qualified mechanic so they will at all times be in good operating condition.
4. To keep the equipment used to transport students clean at all times.
5. To provide drivers who are in possession of a current valid bus driver's license issued by the State of Minnesota, and who have completed a criminal history background check to the satisfaction of the School District. Persons with questionable background reports will be discussed with the superintendent before employment is offered. If the school district has reservations, the individual will not be employed.

6. To establish and enforce rules relating to the conduct of the drivers, including but not limited to the rule that drivers must observe all transportation rules adopted by the Minnesota Department of Education, the State of Minnesota, the federal government or the Lakeview School Board.
7. To discharge or replace any drivers violating the rules of conduct or not meeting any qualifications for the position.
8. To have on hand serviceable standby buses in sufficient numbers to make all trips necessary under this agreement so that all normal bus routes are operating at all times.
9. To provide, free of charge, instruction and buses used for bus evacuation drills for students in grades K through 10 within in the first fifteen (15) days of each calendar year.
10. To comply fully with all state and federal laws governing the mandatory drug and alcohol testing of school bus drivers. A copy of each report will be placed on file in the school district office.
11. To take all vehicles used for the transportation of pupils to a meeting for inspection when such meeting is called by the State Department of Education and to provide copies of all reports of school bus inspections to the School District.
12. To train new drivers with a minimum of 12 classroom and 10 in-vehicle hours of instruction and provide all drivers with at least 6 hours of in-service instruction annually.
13. To immediately report all accidents involving the transportation of students to the School District
14. The Contractor agrees to submit to the School Board before October 15, 2025 and January 15, 2026, the Department of Motor Vehicles driving record for each driver, and daily route mileage for each bus operated under this contract
15. To provide and keep in force during the term of the contract worker's compensation insurance as required by state and federal law.
16. To provide and keep in force during the term of the contract insurance protecting pupils and public and employees, and naming School District as "additional insured," and the limits of the liability insurance policy shall be not less than:

Bodily injury liability	\$ 500,000	\$ 1,000,000
Property damage liability		\$ 100,000
Medical payments	\$ 1,000	
Umbrella Liability (Refer to page 2, item 15)	\$ 5,000,000	

17. Copies of insurance policies showing issuance of the policy and that it is in force to be furnished to the School Board within one week of the School Board approving this contract and thereafter upon request. As of July 1, 2025 the Contractor shall maintain a \$5,000,000 umbrella policy at the bus owner's expense, naming the school district as the additional insured.
18. To comply with the rules and regulations relating to school transportation adopted by the State Board of Education and the School Board.

Additionally, Contractor and District agree on the following:

19. The term of this contract shall be for a period of two school years of 173 school days – 2025-26 and 2026-27 school years. An option of an additional two years is tentatively agreed to at an increase as shown on page 8. The District reserves the right to terminate the contract after two years with written notice of such intent provided to Contractor by June 30, 2027. The first year of the contract shall commence on the 25th day of August, 2025 and end on or about the 20th day of May, 2027.

20. (A) The School District agrees to pay the Contractor according to the following schedule for the 2025-26 school year:

9	Regular Buses	\$56,756.11	each per year	\$510,804.99
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Payments for transportation services during the 2025-26 school year shall be made bi-monthly in 19 equal payments of \$26,884.47 on or before the 15th and 30th day of each month, or as otherwise agreed to in writing. Charges for summer school transportation, if any, shall be billed monthly as accrued in accordance with the contracted unit prices. The total compensation for the transportation covered in this section of the contract shall not exceed a maximum of \$510,804.99 for the 2025-26 school year.

Other charges or terms as appropriate may be incorporated as amendments to this Contract when the actual service needs are determined at the start of the school year, or when further needs arise during the school year. This contract is based upon 173 school days, if any days are cancelled due to weather conditions or teacher's strike, the cancelled days will be compensated at 80%. This includes both regular and special education daily route charges. The final bill in June will be adjusted accordingly.

In any event that is beyond the control of the school district, state or federal government that would close schools, the school district would pay the contractor for a regular school day that is not in session if the district is able to collect transportation funding from the state or federal government. The contractor would credit back the school district for any fuel cost savings.

18. (B) The School District agrees to pay the Contractor according to the following schedule for the 2026-27 school year:

9	Regular Buses	\$60,487.72	each per year	\$544,389.48
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Payments for transportation services during the 2026-27 school year shall be made bi-monthly in 19 equal payments of \$28,652.08 on or before the 15th and 30th day of each month, or as otherwise agreed to in writing. Charges for summer school transportation, if any, shall be billed monthly as accrued in accordance with the contracted unit prices. The total compensation for the transportation covered in this section of the contract shall not exceed a maximum of \$544,389.52 for the 2026-27 school year.

Other charges or terms as appropriate may be incorporated as amendments to this Contract when the actual service needs are determined at the start of the school year, or when further needs arise during the school year. This contract is based upon 173 school days, if any days are cancelled due to weather conditions or teacher's strike, the cancelled days will be compensated at 90%. This includes both regular and special education daily route charges. The final bill in June will be adjusted accordingly.

In any event that is beyond the control of the school district, state or federal government that would close schools, the school district would pay the contractor for a regular school day that is not in session if the district is able to collect transportation funding from the state or federal government. The contractor would credit back the school district for any fuel cost savings.

21. The School District will pay the Contractor for Extra services or equipment pursuant to the Contract Addendum.

22. The School District reserves the right to change or alter the routes of travel driven by Contractor by giving at least one week written notice to the Contractor. If the Contractor alters or changes any established bus route during the school year, Contractor will give a least one week written notice to the School District and parents involved (weather related route change excluded). The timeline may be waived by mutual consent. The number of routes will be addressed as needed. Cost adjustments will be negotiated which reflect the change in the number of said routes. Contractor shall comply with the District's route time requests as appropriate. Contractor shall submit all bus route schedules to the School District for approval.
23. Contractor cannot assign or transfer any part or all of his interest in this contract without the written approval of the School Board of the School District at a regular School Board meeting.
24. Whenever, under this contract, notice shall be required to or from the District, it is hereby agreed that notice to or from the Superintendent of the District shall constitute such notice.
25. Contractor not an agent or employee: In this interpretation of this contract and the relations between Contractor and District, the Contractor shall be deemed an independent Contractor furnishing transportation only, and the Contractor shall not be held or deemed in any way to be an agent, employee or official of the District. No officer, employee, or agent of the Contractor shall be deemed to be an officer, employee, or agent of the School District, unless he or she is also an officer or employee of the School District.
26. Cancellation: This contract may be cancelled by the District upon Contractor's failure to comply with any of the contract terms or conditions or upon happening of any of the following events: (1) insolvency of the Contractor, (2) Contractor making an assignment for benefit of creditors, (3) Filing of voluntary or involuntary petition in bankruptcy by or against the Contractor, (4) Appointment of receiver to take charge of Contractor's affairs or property. Upon cancellation, the District may employ another Contractor to complete the terms of this contract or complete the contract itself and hold original Contractor responsible for any added expense or damage sustained by the District. The District may elect any other legal or equitable remedies that it may have.
27. Performance indemnification: Contractor shall indemnify District from any loss, cost or expenses it may sustain from any cause arising out of the performance or lack of performance of this contract by Contractor.
28. Liability indemnification and duty to defend: The Contractor shall assume all liability of every kind or nature arising from such transportation service either by accident, negligence, theft, vandalism, or any cause whatsoever, and shall indemnify and defend the District or its authorized representatives from all liability of every kind and nature arising from accident, negligence, or any cause whatever that the District may suffer, related to such transportation service.
29. Renewal of contract: At a time not less than three months prior to the expiration of the terms of this contract, the Contractor is to submit in writing it's request to extend this contract. The District reserves the right to reject any contract extension by notifying the Contractor not less than two (2) months prior to the expiration of this contract

IN WITNESS WHEREOF we have hereunto set our hands and seals this 18th day of August, 2025.

Independent School District No. 2167

_____Chairman

_____Clerk

_____Treasurer

Executed pursuant to resolution of the School Board

_____Contractor

Palmer Bus Service of Lakeview, Inc.

Receipt of executed copy acknowledged

TRANSPORTATION CONTRACT ADDENDUM
Lakeview School District #2167 & Palmer Bus Service of Lakeview, Inc.

School Year 2025-26

A. Regular transportation

<u>Full size bus (Type C or D)</u>	<u>Cost/day</u>	<u>Cost/year</u>
	\$328.07 (for one route)	\$56,756.11 (for one route)

B. Special Transportation

<u>Buses</u>	Same as for regular pupils
Mini Bus	\$19.30 per hour, \$1.72 per mile - \$328.07 per day minimum
Mini Van - 10 Pass	\$264.05 per day
Mini Van - 8 Pass	\$253.05 per day

C. Summer school Transportation

<u>Full size bus (Type C or D)</u>	\$328.07 per day
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D. Charter/Field Trip Rates

<u>BUS SIZE</u>	<u>Hourly cost</u>	<u>Cost per mile</u>
<u>72 - 77</u>	\$19.30	\$1.72
<u>83 - 84</u>	\$19.30	\$1.72
<u>Coach 47</u>	N/A	N/A

E. Trailer charge for charters above \$67.58

F. Trailer charge per day for overnight trips \$0.

G. Overnight charter trips \$0 per bus per day.

H. Late Activity/Shuttles: \$40.55 per trip.

I. Fuel Escalation Clause: Gasoline and fuel price ceiling \$2.50 per gallon with costs over \$ 2.50 shared 50/50 with District.

TRANSPORTATION CONTRACT ADDENDUM
Lakeview School District #2167 & Palmer Bus Service of Lakeview, Inc.

School Year 2026-27

J. Regular transportation

<u>Full size bus (Type C or D)</u>	<u>Cost/day</u> \$349.64 (for one route)	<u>Cost/year</u> \$60,487.72 (for one route)
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K. Special Transportation

Buses	Same as for regular pupils
Mini Bus	\$19.69 per hour, \$1.75 per mile - \$349.64 per day minimum
Mini van – 10 Pass	\$269.33 per day
Mini van – 8 Pass	\$258.11 per day

L. Summer school Transportation

<u>Full size bus (Type C or D)</u>	\$349.64 per day
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M. Charter/Field Trip Rates

<u>BUS SIZE</u>	<u>Hourly cost</u>	<u>Cost per mile</u>
<u>72 - 77</u>	\$19.69	\$1.75
<u>83 - 84</u>	\$19.69	\$1.75
<u>Coach 47</u>	N/A	N/A

N. Trailer charge for charters above \$68.93.

O. Trailer charge per day for overnight trips \$0.

P. Overnight charter trips \$0 per bus per day.

Q. Late Activity/Shuttles: \$41.36 per trip.

R. Fuel Escalation Clause: Gasoline and fuel price ceiling \$2.50 per gallon with costs over \$2.50 shared 50/50 with District.

TRANSPORTATION CONTRACT ADDENDUM
Lakeview School District #2167 & Palmer Bus Service of Lakeview, Inc.

School Year 2027-28

S. Regular transportation

<u>Full size bus (Type C or D)</u>	<u>Cost/day</u> \$371.21 (for one route)	<u>Cost/year</u> \$64,219.33 (for one route)
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T. Special Transportation

Buses	Same as for regular pupils
Mini Bus	\$20.08 per hour, \$1.79 per mile - \$371.21 per day minimum
Mini van – 10 Pass	\$274.72 per day
Mini van – 8 Pass	\$263.27 per day

U. Summer school Transportation

<u>Full size bus (Type C or D)</u>	\$371.21 per day
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V. Charter/Field Trip Rates

<u>BUS SIZE</u>	<u>Hourly cost</u>	<u>Cost per mile</u>
<u>72 - 77</u>	\$20.08	\$1.79
<u>83 - 84</u>	\$20.08	\$1.79
<u>Coach 47</u>	N/A	N/A

W. Trailer charge for charters above \$70.31.

X. Trailer charge per day for overnight trips \$0.

Y. Overnight charter trips \$0 per bus per day.

Z. Late Activity/Shuttles: \$42.19 per trip.

AA. Fuel Escalation Clause: Gasoline and fuel price ceiling \$2.50 per gallon with costs over \$2.50 shared 50/50 with District.

BB. Tentative Price Changes for the 2028-29 Contract Option:

1. Regular School Bus Service 3.00%
2. Special Education Charges 3.00%
3. Summer School 3.00%
4. Charter 3.00%
5. Any other charges and rates 3.00%