

FARIBAULT PUBLIC SCHOOLS  
PUPILS TRANSPORTATION CONTRACT  
FARIBAULT, MINNESOTA 55021

This AGREEMENT (the "Agreement") is made effective July 1, 2023 by and between Independent School District 656, Faribault, of the Counties of Rice and Goodhue and the State of Minnesota, hereinafter described as "School District" and Faribault Transportation Service, Inc hereinafter described as "Operator." District and Operator may sometimes be referred to collectively as "Parties" or individually as "Party."

WHEREAS, it is contracted and agreed by and between the said Parties that the Operator shall transport school pupils required to be transported by the School District from any points on the designated routes to and from designated schools according to the routes and schedules as are furnished from time to time by the Superintendent of the School District, or such person duly designated by him, for the period of this contract,

NOW, THEREFORE, in consideration of the covenants hereinafter contained, the Parties agree as follows:

The Operator shall:

- a. furnish chassis and passenger school bus bodies both conforming to State and Federal laws and regulations relating to school buses;
- b. keep said school buses stored in a heated facility that is located within the School District so that they will insure proper warmth and comfort for the pupils transported therein, each bus to be equipped with sufficient heaters;
- c. have said buses maintained by qualified mechanics so that they will be at all times in good mechanical condition and kept clean and will from time to time add such equipment and safety devices as may be required by any new regulations of the State of Minnesota relating to school buses;
- d. furnish drivers over 18 years of age in good health and in possession of a valid Class B Commercial Driver's License with school bus endorsement issued by Motor Vehicle Department of the State of Minnesota, for said buses in adequate numbers and of proper qualifications to fulfill the requirements of this Agreement;
- e. establish and enforce regulations for the rules relating to the conduct of such drivers;
- f. discharge or replace any drivers violating rules of conduct or not meeting qualifications or such requirements or qualifications as may be established herein in addition thereto; and
- g. maintain a current, detailed computerized database of all transportation-eligible students.

## I.

### 1.1 Laws and Regulations.

1.1.1 Compliance. The entire operation contemplated in this Agreement shall comply with applicable rules and regulations adopted by the Minnesota Department of Education, State Department of Transportation and the School District presently in effect or now or hereafter adopted and required. The Operator will be bound by all rules and regulations, local ordinances, or state laws relating to road conditions and road restrictions and any other regulations relating to the operations contemplated herein.

1.1.2 Changes. District and Contractor agree in good faith to discuss any and all additional labor and operational costs incurred by Contractor arising directly or indirectly from legislative changes of law (the "Change in Law Events") which impacts Rate Schedule pursuant to Appendix A. The Change in Law Events include, but is not limited to: (i) Safe and Sick Time; and (ii) Unemployment Benefits to all Non-Instructional Between Term Positions.

## II.

### 2.1 Payment for Services.

2.1.1 Rate Schedule. The School District agrees to pay the Operator in consideration and compensation of Operator's obligation for performance under this contract at the rates (the "Rate Schedule") listed in Appendix A.

2.1.2 Rate Schedule Adjustment(s). Beginning July 1<sup>st</sup>, 2027 and effective the first day following each one-year remaining period of the Term, the Rate Schedule shall be increased (herein "Rate Schedule Adjustment") by an amount that represents a percentage increase in the Rate Schedule of two percent (2%) OR equal to the percentage increase in the Consumer Price Index (the "CPI"), whichever is greater. For the avoidance of doubt, the CPI is calculated by reviewing the local Minneapolis-St. Paul Bloomington U Category CPI in the most recent March of the preceding contract (school fiscal) year. Both Parties shall work together in good faith on the Rate Schedule Adjustment.

2.1.3 Minimum Payment. A minimum payment based on 100% of the daily rate per bus times [A. the number of buses scheduled to be used on route or B. (if A is not applicable) the number of buses used on routes during the previous year] times the number of days less than 171 days is established as a guarantee against financial loss due to school closings or other unusual events that would result in a shorter school year. This minimum guarantee does not apply to transporting fewer students because of declining enrollment or changes in attendance areas.

III.

3.1 Insurance. Successful Supplier shall maintain during the life of the contract automobile, general liability and commercial umbrella insurance with minimum limits as follows:

a. automobile	\$1,000,000 combined single limit (each accident)
b. general liability	\$1,000,000 per accident/\$2,000,000 aggregate
c. commercial umbrella	\$9,000,000

The School District shall be named as an additional insured and shall approve the company and policy submitted to fulfill this requirement and be included in an appropriate endorsement. Any additional coverage obtained by the Operator will apply to this Agreement at the time secured.

3.2 Independent Agent. The Operator shall not be held or deemed in any way to be the agent or employee of the School District. It is the intention of the Parties that the Operator is and shall be considered as an independent contractor. No officer, employee or agent of Operator shall be deemed to be an officer or agent of the School District unless he or she is also an officer or employee of the School District and in his or her course of employment with the School District.

3.3 Indemnification. The Operator agrees to hold harmless and indemnify the School District from any and all third-party claims, demands, causes of action, and suits against the School District caused by the negligence or intentional acts of the officers, employees and agents of the Operator except to the extent: (i) such Claims are the result of the gross negligence or intentional misconduct of the School District or (ii) such Claims relate to or arise out of disciplinary decisions related to student discipline or student behavior on Contractor's vehicles, which decisions shall be made by the School District after consultation with the Contractor.

IV.

4.1 Force Majeure. It is agreed by the Parties that in the event the Operator is unable to provide transportation services as herein specified because of acts of God, fire, riot, war, picketing, civil commotion, strikes, labor disputes or any other similar condition, the School District may excuse him from performance hereunder and terminate the Agreement or shall have the right to take over the operation of the buses that the Operator is prevented from running with such school employees or other persons as the School District may deem appropriate until the Operator is able to resume operation. The School District shall pay to the Operator for such buses the same amount specified in the heretofore mentioned rate schedule pursuant to Appendix A, less all expenses and costs incurred by the School District in the operation and maintenance of the vehicles.

V.

5.1 Term. Notwithstanding anything to the contrary, this Agreement shall be in full force and effect for a period commencing September 1, 2023, and ending August 31, 2033.

5.2 Required Transportation Services. The minimum service to be provided under this Agreement shall be to transport all pupils required to be transported under this Agreement to and from school to the residing place of the pupil. This statement shall not in any way excuse Operator from

performing all other obligations or duties required under this Agreement, or the specifications or quotations attached hereto, during the period of this Agreement for the consideration recited.

5.3 Modification. This Agreement may be amended by mutual agreement of the Parties in writing approved by the School Board upon 30 days' written notice of one Party to the other, or as is otherwise permitted by this Agreement or the specifications or bids attached hereto.

5.4 Termination. Failure or refusal of either party to substantially perform the conditions of this Agreement during the term of the Agreement will permit the other Party to terminate the Agreement upon 30 days' written notice in writing to the breaching Party, unless within such 30-day period the breaching Party shall correct the performance to the satisfaction of the other Party, but both Parties shall be entitled to all remedies provided by law in case of such breach, failure or refusal, but neither Party shall be required to accept less than full performance of this Agreement unless otherwise agreed in writing by the Parties.

5.5 Notices. All notices under this Agreement required to be given to the School District shall be directed to the Clerk of the School District at the School District's administrative offices. All notices required to be given to the Operator shall be directed to it at its principal office last on record with the School District.

## VI.

6.1 Incorporation. The specifications and general conditions relating hereto are included herein and made a part of this Agreement by reference along with any quotation submitted by Operator, except as otherwise provided in this Agreement.

6.2 Service Conditions. The School District shall approve any and all school bus routes, school bus stops, drivers and alternate drivers. The School District reserves the right to change or alter the schedules and routes of travel by giving at least two weeks' written notice to Operator, but any additional costs shall be verified in writing by the Operator and additional compensation shall be mutually agreed upon by the Parties in writing.

## VII.

7.1 Assignment. Operator cannot assign or transfer any part or all of its interest in this Agreement without the written approval of the School Board of the School District authorized at a regular or special meeting of the School Board.

7.2 Contract Law. Operator and School District have complied with the provisions of M.S. 123B.52 subd. 3. Any adjustments or refunds under this Agreement shall be determined by mutual consent of the Parties.

[signature page to follow]

**IN WITNESS WHEREOF**, the Parties have executed this agreement below.

Faribault Transportation Service, Inc (“Operator”)

Independent School District 656 (“District”)

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

By:

Its:

Date:

By:

Its: Clerk \_\_\_\_\_

Date: \_\_\_\_\_

Encl.

**ATTACHMENT "A"**  
**ISD #656 – FARIBAULT PUBLIC SCHOOLS TRANSPORTATION CONTRACT**  
**RATE SCHEDULE**

School Year	2023-2024	2024-2025
1.0 Regular Routes		
1.1 Daily Rate per Bus	\$ <u>368.13</u>	\$ <u>393.90</u>
1.2 Number of Buses in Quotation	<u>21</u> or as needed	<u>21</u> or as needed
2.0 Special Needs Programs		
2.1 Daily Rate per Bus	\$ <u>413.54</u>	\$ <u>459.03</u>
2.1.1 Number of Buses in Quotation	<u>as needed</u>	<u>as needed</u>
2.1.2 Add'l Hours over 4/bus/day	\$ <u>71.19</u>	\$ <u>79.02</u>
2.2 Intermittent Service with Additional vehicles hourly rate	\$ <u>94.91</u>	\$ <u>105.35</u>
2.2.1 One Hour Minimum	\$ <u>94.91</u>	\$ <u>105.35</u>
2.3 Bus Aides per Hour	\$ <u>36.40</u>	\$ <u>40.40</u>
3.0 Field Trips/Extracurricular Trips	Rate per Mile/Hour	Rate/Per Mile/Hour
3.1 Trips 8:00-2:30pm Mon.-Fri.	\$ <u>1.01</u> (\$132.77 min)/\$22.35	\$ <u>1.08</u> (\$142.06min)/\$23.92
3.2 Trips before 8:00am or After 2:30 pm Mon.-Fri.	\$ <u>1.11</u> (\$132.77 min)/\$22.35	\$ <u>1.19</u> (\$142.06min)/\$23.92
3.3 Trips Saturdays/Anytime Over 8 hours	\$ <u>1.11</u> (\$132.77 min)/\$27.94	\$ <u>1.19</u> (\$142.06min)/\$29.90
3.4 Trips Sundays and Holidays	\$ <u>1.11</u> (\$132.77 min)/\$33.55	\$ <u>1.19</u> (\$142.06min)/\$35.90
3.5 Mini Van Trip	\$ <u>.79</u> (\$88.61 min)/\$22.35	\$.85(94.81min)/\$23.92
3.6 Trailer Charge	\$ <u>84.38</u>	\$ <u>90.29</u>
3.7 Layover Rate	\$ <u>177.22</u>	\$ <u>189.63</u>
4.0	If the price of motor fuels to the Operator should exceed <u>\$ .46</u> per gallon, excluding federal tax, during the contract period, the School District agrees to assume the excess cost beyond <u>\$ .46</u> per gallon excluding federal tax, upon documentation as to price and gallons used in fulfilling contracted obligations.	

**ATTACHMENT "A"**  
**ISD #656 – FARIBAULT PUBLIC SCHOOLS TRANSPORTATION CONTRACT**  
**RATE SCHEDULE**

School Year	2025-2026	2026-2027
1.0 Regular Routes		
1.1 Daily Rate per Bus	\$ <u>409.66</u>	\$ <u>426.05</u>
1.2 Number of Buses in Quotation	21 or as needed	21 or as needed
2.0 Special Needs Programs		
2.1 Daily Rate per Bus	\$ <u>491.16</u>	\$ <u>525.54</u>
2.1.1 Number of Buses in Quotation	<u>as needed</u>	<u>as needed</u>
2.1.2 Add'l Hours over 4/bus/day	\$ <u>84.55</u>	\$ <u>90.47</u>
2.2 Intermittent Service with Additional vehicles hourly rate	\$ <u>112.73</u>	\$ <u>120.62</u>
2.2.1 One Hour Minimum	\$ <u>112.73</u>	\$ <u>120.62</u>
2.3 Bus Aides per Hour	\$ <u>43.23</u>	\$ <u>46.26</u>
3.0 Field Trips/Extracurricular Trips	Rate per Mile/Hour	Rate/Per Mile/Hour
3.1 Trips 8:00-2:30pm Mon.-Fri.	\$ <u>1.12 (\$147.74min)/\$24.88</u>	\$ <u>1.17(153.65 min)/\$25.88</u>
3.2 Trips before 8:00am or After 2:30 pm Mon.-Fri.	\$ <u>1.24 (\$147.74min)/\$24.88</u>	\$ <u>1.29(153.65 min)/\$25.88</u>
3.3 Trips Saturdays/Anytime Over 8 hours	\$ <u>1.24 (\$147.74min)/\$31.10</u>	\$ <u>1.29 (\$153.65 min)/\$32.34</u>
3.4 Trips Sundays and Holidays	\$ <u>1.24 (\$147.74min)/\$37.34</u>	\$ <u>1.29 (\$153.65 min)/\$38.83</u>
3.5 Mini Van Trip	\$ <u>.88(98.60min)/\$24.88</u>	\$ <u>.92(102.54min)/\$25.88</u>
3.6 Trailer Charge	\$ <u>93.90</u>	\$ <u>97.66</u>
3.7 Layover Rate	\$ <u>197.22</u>	\$ <u>205.11</u>
4.0	If the price of motor fuels to the Operator should exceed <u>\$.46</u> per gallon, excluding federal tax, during the contract period, the School District agrees to assume the excess cost beyond <u>\$.46</u> per gallon excluding federal tax, upon documentation as to price and gallons used in fulfilling contracted obligations.	