

Independent School District 2689, Pipestone Area Schools

(updated 7-22-25 ~ tentative agreement)

ADDENDUM 1: Modification to Transportation Contract (AGREEMENT) dated June 27, 2023 between Independent School District 2689, Pipestone Area Schools (DISTRICT) and Ludolph Bus, Inc. (Contractor or Bus Operator).

Date of ADDENDUM 1: July 28, 2025

This ADDENDUM 1 shall be considered part of the DISTRICT'S AGREEMENT dated June 27, 2023, as revised herein. This ADDENDUM 1 represents the changes or modifications to the AGREEMENT between the DISTRICT and CONTRACTOR, also known as the "PARTIES". All terms and conditions of the AGREEMENT will remain the same except for applicable compensation adjustments described and agreed to herein in this ADDENDUM 1. Where the AGREEMENT and this ADDENDUM 1 are in conflict, this ADDENDUM 1 shall govern. The remaining items in the AGREEMENT, along with ADDENDUM 1, remain valid.

1. SECTION 8, TERM OF THE AGREEMENT

The PARTIES agree that the recent AGREEMENT has a Term commencing July 1, 2023 and ending June 30, 2027 subject to negotiations for 2025-2026 and 2026-2027. The PARTIES also agree that the present AGREEMENT will expire June 30, 2025 after the first two (2) Contract Years unless contract negotiations are completed and approved to extend the Term of this AGREEMENT for two years, ending July 31, 2027.

Pursuant to Minnesota Statute Section 123B.52, Subd 1 and 3, the DISTRICT posted a legal notice in its official newspaper (Pipestone County Star) May 15 and 22, 2025 seeking a contract extension with its present service provider or a new contract with a student transportation provider commencing with Contract Year ending July 1, 2025.

8.a. Extension of Term

Effective with Contract Year 2025-26, the PARTIES agree that SECTION 8.a. of the AGREEMENT is amended as follows:

- i. The Term of this AGREEMENT is extended through Contract Year 2026-27 ending July 31, 2027.

2. SECTION 4. c. Fuel Price Adjustment Provision

The Contractor will be responsible for purchasing fuel required for this AGREEMENT. The Parties hereby agree that Section 4. c. is modified in this AGREEMENT as provided next in this Section:

"If the prices exceed two dollars (\$2.00) per gallon, then for each cent (\$0.01) per gallon, three dollars and thirty cents (3.80) will be added to each of the monthly per route rates.

Diesel Fuel: The District and Contractor agree that an Index Price is established for diesel fuel is \$4.00 per gallon, excluding the federal fuel excise tax (\$0.243 per gallon) and the Parties will share equally (50/50) the cost of fuel above the Index Price.

Unleaded Fuel: The District and Contractor agree that an Index Price is established for unleaded fuel is \$3.50 per gallon, excluding the federal fuel excise tax (\$0.183 per gallon) and the Parties will share equally (50/50) the cost of fuel above the Index Price.

Propane Fuel: The District and Contractor agree that for SECTION 6.5.1 the Index Price for propane fuel is \$2.00 per gallon, excluding the federal fuel excise tax (\$0.183) and the Parties will share equally (50/50) the cost of fuel above the Index Price.

The Parties understand that the price adjustment only applies to a cost sharing adjustment above the Index Price.

Independent School District 2689, Pipestone Area Schools

(updated 7-22-25 ~ tentative agreement)

3. SECTION 4

The Parties have completed contract negotiations for Contract Year 2025-26 as follows:

- i. 2025-26 and the 2026-27 Contract Years Regular Transportation: \$740,267 for 11 routes (or \$389.00 per day times 173 school days times 11 regular routes). This sum of \$740,267 will be paid in twelve (12) monthly installments of \$61,688.92 each month.

4. SECTION 4. e.

The calendar for school year for 2025-26 is 173 school days and remains 173 school days if the AGREEMENT is extended for school year 2026-27 as provided in Section 8.a.ii.

5. SECTION 4. f.

Extra-curricular and special trips shall be in addition to the above amount and paid according to the rates stated: Bus Operator's proposal:

	23-24	24-25	<u>25-26</u>	<u>26-27</u>
Extra-Curricular Rates:	\$1.81/mile \$23.00/hour	\$1.81/mile \$23.00/hour	<u>\$2.12/mile</u> <u>\$23.00/hour</u>	<u>\$2.12/mile</u> <u>\$23.00/hour</u>
In-Town Field Trips:	\$36.75 per trip	\$38 per trip	<u>\$38 per trip</u>	<u>\$38 per trip</u>
Coach Bus Rate:	\$4.75/mile \$800 minimum	\$4.90/mile \$825 minimum	<u>\$4.90/mile</u> <u>\$825 minimum</u>	<u>\$4.90/mile</u> <u>\$825 minimum</u>
Van Rate:	\$1.51/mile	\$1.56/mile	<u>\$1.69/mile</u>	<u>\$1.69/mile</u>
In-Town Preschool:	\$33.60 per trip	\$34.60 per trip	<u>\$34.60 per trip</u>	<u>\$34.60 per trip</u>
Rural Preschool:	\$1.61/mile	\$1.66/mile	<u>\$1.92/mile</u>	<u>\$1.92/mile</u>
In Town Routes:	\$5,531 per month	\$5,697 per month	<u>\$5,697 per month</u>	<u>\$5,697 per month</u>

~~Subd. 1 Fuel clause for per mile rates to be negotiated each year in December:~~

- ~~• Bus = 26 cents per mile~~
- ~~• Van = 13 cents per mile~~
- ~~• No fuel clause for Coach transportation~~

6. SECTION 10.

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

7. ENTIRE AGREEMENT

This AGREEMENT, along with ADDENDUM 1, sets forth the entire agreement between District and Contractor concerning the subject matter hereof. There are no representations, either oral or written, between DISTRICT and CONTRACTOR other than those contained in this AGREEMENT and ADDENDUM 1.

Independent School District 2689, Pipestone Area Schools

(updated 7-22-25 ~ tentative agreement)


IN WITNESS WHEREOF, the PARTIES hereto have executed this ADDENDUM 1 to the AGREEMENT this 28th of July 2025, subject to approval by the DISTRICT ISD 2689.

Pipestone Area Schools ISD 2689

By: _____
Board Chair

By: _____
Board Clerk

Ludolph Bus, Inc.

By: 
President