

STUDENT TRANSPORTATION CONTRACT
INDEPENDENT SCHOOL DISTRICT NO. 2687,
Howard Lake-Waverly-Winsted

This agreement is made effective July 1st , 2026, by and between Independent School District No. 2687, Howard Lake-Waverly-Winsted, (hereinafter described to as "School District") and 4 Point O School Services of Howard Lake-Waverly-Winsted, Inc. (hereinafter described to as "Provider") as follows:

SECTION I. GENERAL CONDITIONS

A Duration of the Contract: The services requested in this contract shall be for the 2026-2027 school year through the 2029-2030 school year. The School District reserves the right to extend the contract for an additional four (4) year period by providing written notice to Provider on or before March 1, 2030.

Rates are reflected in Exhibit A.

B. Amendment or Termination: This Agreement may be amended or terminated 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 otherwise permitted by this contract or the specifications attached hereto. Failure or refusal of either party to substantially perform the conditions of this contract during the term of the contract will permit the other party to terminate the contract 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 contract unless otherwise agreed in writing by the parties. All notices under this contract required to be given to the School District shall be directed to the Superintendent. All notices required to be given to the Provider shall be directed to it at its principal office last on record with the School District.

C. Rates: The rates established in Exhibit A shall apply as provided. The rates established for the 2030-31 through 2033-34 school years shall be negotiated between the parties prior to March 1, 2030.

D. Service Within the School District: Provider shall furnish equipment and personnel sufficient to provide daily transportation of students to the various schools of the School District according to the School District school calendar and a time schedule on routes to be determined by Provider subject to approval by the School District. There shall be no change in any bus route or time schedule without consent of the School District. Generally, the transportation will include

pickup from home to school in the morning and pickup from school to home or residence in the afternoon. Regular routes may include students residing outside the boundaries of the School District and students who live closer to their school than the minimum distances set forth in School District policies.

E. Service Outside of School District: Provider shall furnish equipment and personnel as required by the School District to provide daily transportation of students outside the School District to such schools in other school districts as designated by the School District according to the School District's needs.

F. School District Agent: For purposes of communication with the School District regarding the transportation provided by the contract, Provider shall communicate with the Superintendent's Office.

G. Assignment: Provider may not assign any of the services provided for in this Contract, in whole or in part, without written consent of the School District.

SECTION II. PROVISION OF VEHICLES TO SCHOOL DISTRICT

A. Vehicles:

1. All vehicles provided to the School District for transportation must be maintained and repaired by Provider in safe operating condition, including exterior and interior cleanliness. Sufficient heat shall be maintained in all vehicles at the time students are being transported.

2. Provider shall perform regular maintenance and repairs of the Vehicles at the Facility, to the extent possible. When necessary to conduct repairs off of School District property, Provider shall perform maintenance and/or repair work as close to the Facility as possible.

3. All vehicles shall be 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 laws or rules of the State of Minnesota relating to school buses.

4. All vehicles provided shall comply with all road and safety regulations as set forth by any Federal, State and Municipal policy, law, statute or ordinance as it may relate directly or indirectly to the safe operation of a vehicle used in public transportation of students.

All vehicles provided to the School District must be able to pass MNDOT inspections on an annual basis.

5. All vehicles provided under the contract shall be made available for inspection from time to time as deemed necessary by a School District agent or any state authority.

B. Fuel: The School District shall provide all fuel for the Vehicles during the term of the contract.

C. Insurance:

1. Provider shall maintain during the life of the contract public liability and property damage and excess liability insurance with minimum limits as follows:

- a. \$1,500,000 Commercial Auto Liability limit
- b. \$5,000,000 umbrella liability limit

2. Provider shall furnish and maintain during the life of the contract Worker's Compensation coverage for the protection of its employees in amounts required by law.

3. All certificates of insurance coverage furnished to the School District shall show the School District as an additional insured under the policy, and such certificates shall be in force at all times under the contract.

D. Technician: Provider shall provide a duly qualified technician for forty hours per week at the Facility for vehicle maintenance and repairs during the term of the contract. Provider shall provide additional employees at the Facility for maintenance and repairs as necessary.

SECTION III. SERVICE CONDITIONS

A. It is anticipated that transportation needs for each service area for the 2026-2027 school year through the 2029-2030 school year shall be substantially as follows and the following estimates will be used for cost proposals received:

- 1. Regular Education Students (K-12) a.m. and p.m. 15 routes
- 2. Regular Education Students (Pre-K) noon routes 4 routes

3. Extra-Curricular/Special Trips:	
Total Average Miles for Contract Year	58,740
4. Special Education:	7 daily van routes 94,060 average miles
5. Summer School: (13 weeks)	1 daily rt for 4 weeks 2 daily rts for 5 weeks 1 daily rt for 4 weeks

Any new or additional students who can be transported without additional cost to Provider shall be transported by the Provider on request by the School District at no additional compensation. Should such new or additional students require significant changes in routes or number of kinds of buses or vehicles which in the opinion of the School District will require additional cost to Provider, the School District may pay to Provider such additional sum as mutually agreed by the School District and Provider or any other provider. Extracurricular and special trips as requested by the School District shall be provided by the Provider at the rates provided in Provider's proposal.

Provider will quote costs for providing bussing service for extracurricular activities and special trips on both hourly rate and mileage rate.

A. The number of students transported shall not exceed the rated manufacturer's capacity of the transporting vehicle. If passenger vehicles are used (i.e., private cars), the number of passengers shall not exceed five (5) or the rated capacity of the vehicle, exclusive of the driver. Scheduling of the students for arrival at the various school locations shall conform to regular school schedules, or to the schedule established by the School District.

B. Students with disabilities shall be picked up immediately in front or as near as possible to their homes. A student shall load or unload at home or school only from the right side of the vehicle, except on a one-way street, where the non-traffic side of the vehicle may be used. Type III vehicles may be used only upon request of Provider and the approval of the School District.

C. No unauthorized person shall be allowed in any vehicle while engaged in the transportation of students for the School District. The School District reserves the right to assign attendants to any vehicle in the best interest of any student.

D. The Provider shall be highly selective in the employment of its drivers. Provider will be

required to utilize only those drivers holding a valid Class A or Class B license with a school bus endorsement who have been thoroughly checked for ability, character, integrity and fitness, and who are acceptable to the School District. The School District reserves the right to refuse the services of any driver found to be unacceptable by the District and the Provider shall agree to replace the driver. The Provider will provide a minimum of 8 hours of in-service time for all bus drivers utilized in the performance of the contract including substitute drivers or additional drivers for routes which may be added during the year.

E. Each driver must have completed a criminal history background check to the satisfaction of the School District.

F. Provider shall provide satisfactory evidence of the good health of each driver prior to each school year (or during the school year for new drivers) based on a yearly physical examination. Such examination shall indicate that the driver complies with the minimum health standards required by the rules and regulation of the State Department of Education or any other state agency for school bus drivers. The expense of the physical examination for all drivers shall be paid by the Provider.

G. Provider must comply with all state and federal laws governing the mandatory drug and alcohol testing of school bus drivers.

H. Smoking in vehicles shall be prohibited. The driver shall not carry on unnecessary conversation while the vehicle is in motion. The driver shall at all times operate the vehicle in a safe, prudent and careful manner with due regard for traffic conditions, speed limits and road conditions. Drivers will not be allowed to make personal stops while transporting students.

I. Provider shall be responsible for handling complaint calls.

J. Provider shall be responsible for contacting parents concerning route and pick up times at a reasonable time prior to the start of the school year.

SECTION IV. USE OF FACILITY

The Provider shall store the Vehicles at the School District's bus garage (the "Facility") located on School District property at 8700 County Road 6 SW, Howard Lake, Minnesota, during the term of this Agreement. Provider shall also have the right and ability to use said property during the term of this Agreement, as Provider finds necessary, and said use is subject to the following terms:

A. The Provider shall not keep, permit, or allow any non-prescribed drugs nor any liquors or beverages of any intoxicating nature or tendency to be sold, kept or tolerated on School District property.

B. The property is presently tax-exempt based upon ownership and use by the School District. Any real estate taxes arising out of the use of the property by Provider shall be paid when due promptly by Provider.

C. Any and all utilities, including but not limited to gas, electricity, telephone, water, sanitation and refuse removal as well as snow removal, maintenance of grounds, maintenance and related services for the buildings shall be at the sole expense of Provider.

D. The Provider expressly warrants and agrees: That it will comply with all applicable federal and state environmental laws and regulations in connection with its use and occupancy of the property;

1. That it will not store, treat, refine, or dispose of any toxic or hazardous substances above or below the premises during its use, other than substances consistent with the Facility's present use; and
2. That it will indemnify and hold harmless the School District against any claim, liability, damage, costs, penalties, or fines which the School District may be subjected to as a result of the Provider's use of the Facility in violation of applicable federal or state environmental laws and regulations.

E. The Provider shall at all times during the term of its use of the Facility:

1. Furnish and maintain all of Provider's property necessary for Provider's use;
2. Maintain the Facility in a clean, neat, sanitary and orderly condition;
3. Comply with all governmental rules, regulations, ordinances, statutes and laws now or hereafter in effect pertaining to the premises or the School District's use thereof; and
4. Refrain from committing or suffer to be committed any waste upon the premises.

F. The Provider agrees to conduct its maintenance and repair work in such a manner as not to create any nuisance, or interfere with, annoy or disturb the School District in its operation of

the premises.

G. The Provider shall be responsible for obtaining insurance on its trade fixtures, equipment, supplies, fixtures, and other personal property owned by Provider and located on School District property.

H. The Provider's use of the Facility shall be subject to such reasonable rules and regulations as may be determined by the School District from time to time.

I. All Vehicles shall be stored at the Facility, with the exception of those vehicles deemed by the District, in its sole discretion, to be located at different locations with the School District boundaries in order to save on fuel expenses.

SECTION V. BUS & VAN DRIVERS' RULES OF CONDUCT

A. All drivers shall submit to the School District before the date on which school opens or before the date on which such driver shall operate on the routes, a physician's statement as to the driver's physical condition and health to show compliance with applicable regulations.

B. All drivers shall be required to travel over the routes and make the stops according to the timetables designated by the appropriate School District official.

C. All drivers shall exercise all proper care in protecting children from injury and exposure.

D. All drivers shall stop the vehicle and cause the same to be flagged over all railroad tracks by the bus patrol when such a patrol is available. When the bus patrol is not available, the driver shall, after stopping the vehicle, personally ascertain that the tracks are clear before crossing.

E. The drivers shall supervise all students when they cross the highway before entering and on leaving the school bus.

F. All drivers shall observe and obey all traffic rules and regulations imposed by the State of Minnesota and the various municipalities on all public roads.

G. All drivers shall observe all operating rules adopted and promulgated by the State Department of Education, the Commissioner of Transportation, and any other state agency and the local school board for the operation of the vehicle on the roads.

H. Drivers shall maintain order among the children at all times when they are being transported

to and from school, shall allow them to enter and leave the bus or van only at such places as shall be designated by the appropriate School District official, shall keep the aisle and emergency exit of the bus unobstructed at all times when children are being transported and shall report all cases of disobedience, improper conduct and speech, and cases of tardiness to the principal of the school to which the student is transported or which the student attends.

I. No driver shall use profane or indecent language within the hearing of any student and shall tolerate no such language on the part of the students.

J. No driver shall possess a weapon of any kind or nature while in the performance of his/her duties.

K. No driver shall be under the influence of an alcoholic beverage or controlled substance as defined by the Minnesota Highway Traffic Regulation Act (Minn. Stat. Ch. 169) at any time while transporting students. The School District may refuse to accept as a driver any person who habitually uses alcoholic beverages or controlled substances to excess as determined by the School District, and the School District shall not be required to accept any driver whose driver's or chauffeur's license is under suspension or revocation.

L. Each driver will make such daily and weekly reports as may be required by School District officials regarding the schedules and passengers and incidents en route. The reports shall be delivered to Provider, who shall deliver them to the appropriate school officials.

M. All drivers shall report immediately to the appropriate School District officials all accidents involving the vehicles operated by the driver during the transportation of students.

N. All drivers shall attend the meetings of the school bus drivers that may be called by the appropriate School District officials.

O. All drivers shall attend regional bus drivers' schools of instruction as the same may be scheduled, and shall bring the vehicles used by the drivers for student transportation for inspection when such inspection is ordered by the State Department of Education.

P. No drivers shall allow students to use tobacco, alcoholic beverages or controlled substances while in the bus or van.

Q. All drivers shall perform a post-trip inspection of their bus after each trip. Such inspection shall include assurance that no students are left on the bus. Personal belongings left on a bus must be removed from the bus by the driver and returned to the school.

R. The School District reserves the right to require that a bus driver not be used for transporting students.

SECTION VI. INDEPENDENT CONTRACTOR

Provider 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 Provider is and shall be considered as an independent contractor. No officer, employee, or agent of the Provider shall be deemed to be an officer, employee or agent of the School District. Provider agrees to hold harmless and indemnify the School District from any and all 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 Provider, and the School District shall pay or settle no claims or judgments arising out of such negligence or intentional acts of the officers, employees, or agents of the Provider, except as otherwise required by law, without approval of the Provider or its insurer, in writing, and shall immediately give notice of all claims or suits to Provider.

SECTION VII. INCLUSION BY REFERENCE AND APPLICABILITY OF LAWS AND MISCELLANEOUS PROVISIONS

A. Anything herein notwithstanding, successful Provider shall comply with applicable provisions of State and Federal Laws including the Motor Vehicle Code, State Department of Education or any other state agency rules and regulations relating to student transportation, the construction, design, operation of equipment, and safety accessories for equipment, vehicle codes and other applicable laws, rules and regulations prescribed by the State or any political subdivision thereof relating to the transportation of regular and disabled students.

B. The School District shall require strict adherence to the terms of the specifications of the contract to be awarded in order to safeguard the comfort and safety of the students and to provide for the orderly operation of its program.

C. If additional buses are required to handle any additional students within the School District, and if Provider is unable or unwilling to provide the kind and caliber of additional buses specified by the School District at a price equivalent to that provided under this contract, the School District may provide such transportation at a price agreed upon between the School District and Provider or any other Provider in accordance with applicable bidding statutes.

D. Provider agrees to provide any necessary information to the School District, which will

permit the School District to apply for a refund of the federal excise tax per gallon of gasoline and will assist the School District in processing any application for a refund. Provider shall also supply all information necessary for the School District to make claim for state aids for transportation to the State Department of Education and any other forms or data required by the State Department of Education to be filed by the School District with the State Department of Education as relate to the transportation of students under this contract.

E. The entire operation contemplated by the Agreement shall comply with applicable rules and regulations adopted by the State Department of Education, State Department of Transportation, any other state agency and the school board, presently in effect or now or hereafter adopted and required and the Provider will be bound by all rules and regulations, local ordinances, or State and Federal laws relative to road conditions and road restrictions, as well as with ordinances of other subdivisions of government

F. It is also agreed that Provider will provide a competent dispatcher, who will dispatch all buses and equipment proposed for service and under said Agreement, and shall employ bus and van drivers who shall be approved by the School Board.

SECTION VIII. ADDITIONAL PROVISIONS

A. Non-Assignment. Provider 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.

B. Anything herein notwithstanding, Provider shall comply with applicable provisions of State and Federal Laws including the Motor Vehicle Code, Department of Education or any other state agency rules and regulations relating to student transportation, the construction, design, operation of equipment, and safety accessories for equipment, vehicle codes and other applicable laws, rules and regulations prescribed by the State or any political subdivision thereof relating to the transportation of regular and handicapped students.

C. The School District shall require strict adherence to the terms of the specifications to the terms of the bid specifications and Provider's bid for the contract, in order to safeguard the comfort and safety of the students and to provide for the orderly operation of its program.

D. In the event there is any dispute whether or not the proposed type of equipment, character of the service, ability and qualifications of the technician, or any other fact question shall arise, the School Board shall be the sole judge, arbitrator and determiner thereof.

E. Consultant. Should the District consider contracting with a Consultant in regards to transportation services, the District shall contact the Provider prior to contracting with the Consultant. The District and Provider shall jointly be involved in the selection of the mutually agreed upon Consultant.

SECTION IX. BILLING

Provider shall agree to bill the School District within ten days after the end of each month for services rendered for that month on vouchers provided by the School District and in compliance with state laws. If such billings are proper, the School District shall make payment within fifteen days thereafter.

SECTION X. RATES

The rates to be charged by Provider to District for all services provided as part of this Contract shall follow the structure provided in Exhibit A, attached.

SECTION XI. TAXES

4.0 School Services, Inc. agrees to pay real estate taxes on the building of up to \$18,000.00 per year.

SECTION XII. CONCLUSION

Independent School District No. 2687 will require strict adherence to the terms of the specifications and of the contract to be awarded, including but not limited to specifications related to schedules, adequacy of equipment, maintenance of equipment, employment of qualified personnel, constant attendance of qualified supervisory personnel, enforcement of rules as to conduct of children while being transported, safety of operation under all conditions and strict and faithful compliance with all rules, regulations, directives and orders of the School Board, Superintendent of Schools, other appropriate school district officials, the officials and peace officers of any and all municipalities and of any and all other persons or bodies having jurisdiction or control of any subject matter of the contract.

IN WITNESS WHEREOF, the parties have executed this agreement below.

INDEPENDENT SCHOOL DISTRICT NO. 2687, HOWARD LAKE-WAVERLY-WINSTED

By: _____
Board Chair

Dated: _____

By: _____
Superintendent

Dated: _____

PROVIDER:

4 POINT 0 SCHOOL SERVICES OF HOWARD LAKE-WAVERLY-WINSTED, INC.

By: _____
Mike Jensen - CEO

Dated: _____

EXHIBIT A RATES FOR SERVICES

Regular Education Students (K-12/Pre-K). The annual cost figure for all regular "to and from" routes, home to school transportation for the days of the regular school year operation for both a.m. and p.m. routes. The prices quoted are based upon miles and hours for each route for the 2025-2026 school year of 15 routes.

SCHOOL YEAR	INCREASE	RATE
2025-2026		\$822,541.59
2026-2027	3.25%	\$849,274.19
2027-2028	3.25%	\$876,875.60
2028-2029	3.25%	\$905,374.06
2029-2030	3.25%	\$934,798.72
2030-2031	TBN	

2. Pre-K Students (noon route). The annual cost figure for all regular "to and from routes, home to school transportation for the days of regular school year operation for additional noon routes for Pre-K students. The prices quoted are based upon miles and hours for each route for the 2025-2026 school year of 4 routes.

SCHOOL YEAR	INCREASE	RATE
2025-2026		\$53,429.95
2026-2027	3.25%	\$55,166.32
2027-2028	3.25%	\$56,959.23
2028-2029	3.25%	\$58,810.40
2029-2030	3.25%	\$60,721.74
2030-2031	TBN	

3. **Extra-Curricular/Activity/Field Trip.** The annual cost figures for each year shall include the per unit hourly extra trip rate for which trips will be billed and the per unit hourly charge, if requested. The hourly rate shall be charged for time beginning when the driver leaves the bus terminal and shall end (rounded to the next ½ hour) when the driver returns to the bus terminal.

SCHOOL YEAR	INCREASE	RATE/MILE	RATE/HOUR
2025-2026		\$1.67	\$21.44
2026-2027	3.25%	\$1.72	\$22.14
2027-2028	3.25%	\$1.78	\$22.86
2028-2029	3.25%	\$1.84	\$23.60
2029-2030	3.25%	\$1.90	\$24.37
2030-2031	TBN		

4. **Special Education.** The annual cost figure for all wheelchair accessible/special education and special needs routes, home to school transportation services for each year for the days of regular school year operation. The hourly rate shall be charged for time beginning when the driver leaves the bus terminal and shall end when the driver returns to the bus terminal.

SCHOOL YEAR	INCREASE	RATE/HOUR
2025-2026		\$66.20
2026-2027	3.25%	\$68.35
2027-2028	3.25%	\$70.57
2028-2029	3.25%	\$72.87
2029-2030	3.25%	\$75.23
2030-2031	TBN	

5. **Summer School.** The annual cost figures for each year shall include the per unit hourly extra trip rate for which trips will be billed for regular and special education.

SCHOOL YEAR	INCREASE	RATE/MILE	RATE/HOUR
2025-2026		\$1.67	\$25.06
2026-2027	3.25%	\$1.72	\$25.87
2027-2028	3.25%	\$1.78	\$26.72
2028-2029	3.25%	\$1.84	\$27.58
2029-2030	3.25%	\$1.90	\$28.48
2030-2031	TBN		

6. Additional cost for performance bond at 100% of Transportation Contract Price:
\$15,000.00/year

7. The School District agrees to pay all the costs of fuel in excess of **\$0.00** per gallon for diesel fuel, regular, unleaded, and ethanol gasoline for the duration of the contract

8. Rate Increases.

Said Rates as listed above shall increase at the following Contractual increments:

SCHOOL YEAR	INCREASE
2026-2027	3.25%
2027-2028	3.25%
2028-2029	3.25%
2029-2030	3.25%
2030-2031	TBN