

PUPIL TRANSPORTATION AGREEMENT

**THE SCHOOL BOARD OF
ROCK RIDGE ISD #2909**

AND

**NORTHSTAR STUDENT
TRANSPORTATION
2026-2027, 2027-2028, 2028-2029,
2029-2030, 2030-2031**

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ARTICLE I - Parties to the Agreement

This agreement is made effective April 1st, 2026 between NorthStar Student Transportation and the Rock Ridge School District #2909 Virginia, Minnesota, hereinafter described as "School District" and NorthStar Student Transportation, Inc hereinafter described as "Van Operator and Van Contractor" as follows

ARTICLE II - PURPOSE

It is contracted and agreed by and between the said parties that the Van Operator shall transport students 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 other appropriate school district officials, for the period of this contract.

ARTICLE III - VAN CONTRACTOR

SECTION 1. VANS

Van contractor agrees to furnish chassis and passenger van bodies both conforming to all state and federal laws and regulations relating to vans.

SECTION 2. VAN CONDITIONS

Van contractor agrees to keep said vans operating so that they will ensure proper warmth and comfort for the pupils transported therein, each van to be equipped with good and sufficient heaters.

SECTION 3. VAN MAINTENANCE

Van contractor agrees to have said vans maintained by qualified mechanics so that they will always be 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 vans.

SECTION 4. VAN DRIVERS

Van contractor agrees to furnish drivers over 18 years of age in good health and in possession of a valid, effective driver's license issued by the Motor Vehicle Department of the State of Minnesota qualifying the drivers to operate the vans, and who have completed a criminal history background check to the satisfaction of the school district for said vans in adequate numbers and of proper qualifications to fulfill the requirements of the agreement.

The van contractor shall include van drivers to participate in student training or training/drills that the van contractor and school district both agree would be to the best interest of the students being transported. The school district holds the right to request a different driver should a conflict arise regarding choice of drivers, that involves an offense of a driver that is punishable by van operators.

SECTION 5. VAN DRIVER REGULATIONS

Van contractor agrees to establish and enforce regulations for the rules relating to the conduct of such drivers, and to fully comply with all state and federal laws governing the mandatory drug and alcohol testing.

SECTION 6. VAN DRIVER DISCIPLINE

Van contractor agrees to discipline, discharge or replace any drivers violating rules of conduct or not meeting reasonable qualifications or such requirements that may be established.

SECTION 7. VAN ON RESERVE

Van contractor agrees to have on hand serviceable standby vans in sufficient numbers to make all trips necessary under this agreement so that all normal vans are operating at all times in all circumstances to be reasonably anticipated by van contractor.

SECTION 8. SPECIAL EDUCATION

Van contractor agrees to provide transportation for special education students.

SECTION 9. 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 Public Safety and the school district presently in effect or now or hereinafter adopted and required. The van contractor will be bound by all rules and regulations, local ordinances, or state laws relating to road conditions and road restrictions of any other subdivisions of government and any other regulations relating to operation contemplated herein.

SECTION 10. INSURANCE

Van contractor agrees to keep in effect liability insurance for each van to insure against liabilities up to \$1,500,000.00 for each claimant and \$1,500,000.00 for each single occurrence in addition to any other coverage required by the specifications or which is

required to meet the requirements of Minnesota Statutes, section 466.04. The school district shall approve the company and policy submitted to fulfill this requirement and be included in an appropriate endorsement. Any additional coverage obtained by the van contractor will apply to this agreement at the time secured.

SECTION 11. INDEPENDENT CONTRACTOR

Van contractor 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 van contractor is and shall be considered as an independent contractor. No officer, employee or agent of the van contractor shall be deemed to be an officer, employee or agent of the school district, unless he/she is also an officer or employee of the school district and in his/her course of employment with the school district.

SECTION 12. INDEMNIFICATION

Subject to Minnesota Law, the van contractor agrees to defend, 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 van contractor. The school district shall not pay or settle any claims or judgments arising out of such negligence or intentional acts of the officers, employees, or agents of the van contractor, except as otherwise required by law, without approval of the van contractor's insurer, in writing, and shall immediately give notice of all claims or suits to the van contractor. In turn, the school district agrees to defend, hold harmless and indemnify the van contractor and all employees from any and all claims, demands, causes of action, and suits against the school district caused by the negligence or intentional acts of the employees and agents of the school district; including but not limited to the persons that have been directed or permitted to ride with and/or aid in the transportation of the students (to include nurses, paras, and aids that may be provided by the district or families). The van contractor shall not pay or settle any claims or judgments arising out of such negligence or intentional acts such persons or of the employees or agents of the school district, except as otherwise required by law, without approval of the school district or its insurer, in writing, and shall immediately give notice to all claims or suits to the school district.

ARTICLE IV - SCHOOL BOARD

SECTION 1. PAYMENT PERFORMANCE

The school district agrees to pay the van contractor in consideration and compensation of van contractor's obligation for performance under this agreement, an amount as shown in addendum.

SECTION 2. SCHOOL CALENDAR

The school calendar, including vacations, holidays and recess periods, shall be provided to van contractor by the end of the school year each year.

SECTION 3. SCHOOL DAYS

In the event that the actual number of days that school is in session each school year, and during which pupils must be transported shall exceed 174 days, the school district and the van contractor shall determine the additional cost, which must be mutually agreed upon between the parties in writing. In the event the school year consists of fewer days the cost will be reduced accordingly, but the reduced cost shall not be less than the minimum agreed upon in Appendix "C". In the event the school district would like to switch to a four-day school week, a renegotiation shall take place between the school district and the Van Operator regarding any change in costs.

SECTION 4. CONTINUED OPERATIONS

It is agreed by the parties that in the event the van contractor is unable to provide transportation services as herein specified because of Acts-of-God, (weather that makes transportation impossible, fire, riot, war, picketing, civil commotion, strikes, labor disputes or any other similar condition) the school district shall excuse the van contractor from performance hereunder and terminate the agreement or shall have the right to take over the operation of such vans that the van contractor is prevented from running with such school employee or other persons the school district may deem appropriate until the van contractor is able to resume operation. The school district shall pay the van contractor for such vans the same amount specified in the heretofore-mentioned rate schedule plus provide proper insurance for said vehicles as set forth by the State of Minnesota, less all expenses and costs incurred by the school district in the operation and maintenance of the vehicles.

ARTICLE V - DURATION

SECTION 1. AGREEMENT DATES

This agreement shall be in full force and in effect for a period commencing on or about August 1, 2026 and ending on or about June 30, 2031. It is mutually agreed and understood by and between the parties hereto that the initial terms of this agreement shall be for five school years; the school year 2026-2027 shall commence on August 1, 2026 and end on the 30th day of June, 2027 but shall in addition include the 2027 summer school session if any. The 2027-28 school year shall commence on August 1, 2027 and end on the 30th day of June 2028, but shall in addition include the 2028 summer school session if any. The 2028-2029 school year shall commence on August 1, 2028 and end on the 30th day of June 2029

but shall in addition include the June 2029 summer school session if any. The 2029-2030 school year shall commence on August 1, 2029 and end on the 30th day of June 2030 but shall in addition include the 2030 summer school session if any. The 2030-2031 school year shall commence on August 1, 2030 and end on the 30th day of June 2031 but shall in addition include the 2031 summer school session if any. The school district agrees to provide the van contractor at the end of each school year with a list of students intending to ride for the next school year.

SECTION 2. CONTRACT EXTENSION

The van contractor does hereby grant to the School District the option to renew this agreement for an additional two-year period after the termination of the 2030-2031 school year, aforesaid, the general terms and conditions of said agreement for the 2030-2031 school year and the two option years to be the same as this agreement, with payment for the specific items thereof to be increased or decreased by negotiation, all in accordance with Minnesota Statutes §123B.52, Subd. 3, and amendments thereto. Notice of exercise of the option to renew shall be given by the school district by the start of the 2030-2031 contract year unless the van contractor agrees to shorter notice. If the parties do not agree on changes in payment, the van contractor shall be paid such percentage increase as the school district may receive in State Transportation Aid, but the payment to the van contractor shall not decrease from the prior year.

SECTION 3. RENEGOTIATION

The parties agree that either the school district or the van contractor may initiate a communication requesting the other party meet to reconsider and possibly renegotiate certain rates, terms and conditions of this agreement should events occur such as school closings, changes in bell times, four-day school weeks and changes in school district policies related to pupil transportation that would have the effect of a change in the quantity of regular routes provided by the van contractor exceeding ten-percent contemplated by this agreement. Nothing in this section shall limit school district rights or responsibilities or prohibit the school district from exercising such rights and responsibilities outlined in the Specification for School Transportation Services or state law relative to pupil transportation services.

SECTION 4. MINIMUM SERVICE

The minimum service to be provided under this agreement shall be to transport on round trip each day school is in session all pupils required to be transported under this agreement to and from school to the residing place of the pupil for a period of 174 days during each school year of this agreement, if required by the school district. As stated in Article IV

Section 3. SCHOOL DAYS, the school district may reserve the right to renegotiate with the

Van Operator if the district should decide to switch to a four-day school week. This statement shall not in any way excuse the van contractor from performing all other obligations or duties required under this agreement, or the specifications or proposal attached hereto, during the period of this agreement for the consideration recited.

SECTION 5. AMENDMENTS

This agreement may be amended or terminated by mutual agreement of the parties in writing approved by the school board and van contractor upon 30 days written notice.

SECTION 6. 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 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.

SECTION 7. 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 van contractor shall be directed to it at its principal office last on record with the school district.

ARTICLE VI - ADDITIONAL TERMS

SECTION 1. ADDENDUMS

The addendums A, B, C and D attached are included herein and made a part of this agreement by reference along with the prior proposal submitted by the van contractor.

SECTION 2. APPROVAL

The school district shall approve any and all van routes, 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 the van contractor, but any additional costs shall be verified in writing by the van contractor and additional compensation shall be mutually agreed upon by the parties in writing.

SECTION 3. TRANSFERS

The van contractor cannot assign or transfer any part or all 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.

SECTION 4. STATUTORY REFERENCE

The van contractor and the school district have complied with the provisions of Minnesota Statute §123B.52, Subd. 3.

SIGNATURES

IN WITNESS WHEREOF, the following parties have executed this Agreement,

Michelle Lane

President

NorthStar Student Transportation, Inc

1260 Industrial Parkway Drive

Eveleth, MN 55734

Dated this day, _____, 2026

X

Board Chair

Rock Ridge School District #2909

1405 Progress Parkway

Virginia, MN 55792

Dated this day, _____, 2026

X

It is represented that the School District Board has properly approved this contract.

Appendices

APPENDIX A: VEHICLES IN OPERATION

- a. Special Education morning and afternoon routes (24 morning and 24 evening routes minimum with vans with an average capacity of 4 passengers).
- b. Van fleet shall comply with all Department of Transportation inspection regulations.

APPENDIX B: FUEL

The contractor shall pay up to \$3.00 per gallon (gas) for fuel. If the price of fuel exceeds the \$3.00 per gallon, ISD #2909 shall pay a \$.01/mile increase for every \$.10/gallon increase in the fuel above the agreed upon price of \$3.00 per gallon in additional charges based on invoices presented by the contractor. This price shall be based on the price of fuel on the last day of each month. If the price per gallon is less than the \$3.00 per gallon the contractor shall eliminate the fuel escalation charge until such times as prices should exceed the agreed upon price of \$3.00/per gallon.

APPENDIX C: 2026-2027, 2027-2028, 2028-2029, 2029-2030, AND 2030-2031 RATES

The 2026-2027 school year agreement shall be in the minimum amount of \$1,429,343.14 payable in ten equal installments of \$142,934.31 for items stated below for regular scheduled school transportation routes. This minimum amount was based from the 2025-2026 school year billings at 24 AM & PM special education transportation routes.

Van Route Fees

Minimum Day Charge	\$130.00
Minimum Half Day Charge	\$65.00
Mileage Charge for Van	\$2.78

*Charge is minimum time/day charge or mileage whichever is greater.

These van routes are not designed with a "wait time" built in and can be addressed on a case-by-case basis. Should the need arise for wait time to be added, a charge of \$35.00 per hour will be billed. Aides can be provided on an "as needed" basis with a minimum pay of \$23.00 per hour.

Subsequent contract years will be billed in the same way, 10 equal installments.

The district agrees to a 2% rate increase for the 2026-2027, 2027-2028, 2028-2029, 2029-2030, 2030-2031 years of the contract terms (or any extension thereafter) equal to the rate increase, if any, in State Transportation Aid. State Transportation Aid for purposes of this contract is defined as Transportation Portion of Basic Revenue plus Transportation Sparsity Revenue. These amounts are calculated by the state each fiscal year in the General Education Aid Report.

APPENDIX D: 2026-2027, 2027-2028, 2028-2029, 2029-2030, AND 2030-2031 RATES

If the school district exercises its option to extend the contract for another two-year period, the 2031-2032 school year agreement shall be negotiated in or around January of 2031 and the 2032-2033 school year agreement shall be negotiated in or around January of 2032, unless an alternate date is agreed upon by both parties. The district, in its sole discretion, will reserve the option (consistent with applicable Minnesota statutes and ARTICLE 4 of this SPECIFICATION) to extend the contract for a sixth or seventh contract year. The contract rates for the 2031-2032 and 2032-2033 school years are set forth in the contract unless the parties agree to different contract rates.