AGREEMENT FOR STUDENT TRANSPORTATION SERVICES

This Agreement for Student Transportation Services ("Agreement") is made and entered into as of the 11th day of July, 2016, by and between the **San Leandro Unified School District** ("District"), a California public school district, with principal offices located at 835 E. 14th Street, San Leandro, California, 94577, and **First Student, Inc.** ("Contractor"), a Delaware corporation registered to do business in California, with its national headquarters at 600 Vine Street, Suite 1400, Cincinnati, Ohio 45202-5755 (collectively "Parties").

WHEREAS, pursuant to Section 39800 et seq. of the California Education Code, the District is authorized to provide for the transportation of pupils to and from school whenever in the judgment of the board the transportation is advisable and good reasons exist therefor.

WHEREAS, Section 39802 of the California Education Code requires the District to procure transportation services at the lowest possible figure consistent with proper and satisfactory service by securing bids pursuant to Sections 20111 and 20112 of the California Public Contract Code whenever it may be contemplated that a transportation contract would be made with an entity other than a common carrier or a municipally owned transit system or a parent or guardian of the pupils to be transported.

WHEREAS, notwithstanding Section 20111 of the California Public Contract Code, California courts allow a narrow exception to the public bidding laws in circumstances where it would be futile, undesirable, or impractical and would cause additional delay and additional cost; specifically, "where competitive proposals work an incongruity and are unavailing as affecting the final result or where they do not produce any advantage... the statute requiring competitive bidding does not apply." (*Hiller v. City of Los Angeles* (1961) 197 Cal.App.2d 685, 694; *See also generally, Los Angeles Dredging Co. v. City of Long Beach* (1930) 210 Cal. 348, 348-355; *Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal.App.3d 631, 635-636; *Meakin v. Steveland, Inc.* (1977) 68 Cal.App.3d 490, 498.)

WHEREAS, the District attempted to secure bids for a transportation services contract for its special education students and other designated students with fellow neighboring school districts, with two other school districts within our Special Education Local Plan Area, and on its own, but to no avail.

WHEREAS, Contractor and another transportation provider, American Logistics Company, LLC ("ALC"), approached the District regarding provision of transportation services to meet the District's needs and requests, and the District has determined that the District's transportation contracts contemplated by the parties is not subject to competitive bidding requirements because the results of such efforts would be incongruous and unavailing, undesirable, impractical, or impossible, and would not produce any advantage to, or benefit the best interest of, District or the public.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Scope of Services. Contractor shall furnish services described below:

As further described in Exhibit A, Contractor shall supply and maintain school buses and full size vans in quantity and capacity and personnel, as required to transport special education students and other persons designated by the District safely between school and a point reasonably close to the students' homes as specified by the District. As used in this

Agreement and Exhibit A, the term "bus" or "buses" shall be defined as any bus, van, or other such vehicle utilized by Contractor for transportation services under this Agreement. Such transportation shall be provided for each and every day that school is convened and in accordance with routes and schedules (hereinafter referred to as the "Services").

The District reserves the right to change school hours, adjust starting times, increase or decrease service and to make periodic increases or decreases in the number and type of buses required. However, where readjustments impact by greater than 5% the service levels or equipment levels required of Contractor under the assumed routes, schedules, days of service, hours or miles, or vehicle requirements contained this Agreement, Contractor shall be permitted to adjust rates, with prior written notice to and approval by District, which approval shall not be unreasonably withheld ,commensurately to cover increases or decreases in cost structure associated with such changes by District.

2. Term. This Agreement shall commence on August 1, 2016 and shall expire on July 31, 2021, unless earlier terminated pursuant to the provisions of this Agreement. Pursuant to Section 39803 of the Education Code, this Agreement may be renewed by mutual written agreement between the Parties. The Agreement as renewed shall include all the terms and conditions of this Agreement, as well as any amendments thereto.

3. Compensation. The District agrees to pay the Contractor for Services rendered pursuant to this Agreement according to the rates and payment terms set forth in Exhibit B, and as may be adjusted from time to time as provided herein. The District shall not be liable to Contractor for any costs or expenses incurred by Contractor in performing Services pursuant to this Agreement.

3.1. District and Contractor recognize that certain of Contractor's costs are subject to change during the term of this Agreement. Rate change requests shall be submitted in writing to the District by June 1st of each year. On July 1st of each school year, the rates will be adjusted upward by the percentage increase in the U.S. City Average, Consumer Price Index, All Urban Consumers, for the twelve month period ending April 30 of that year, but in no event shall the percentage increase be less than 2%.

3.2. In the event of unusual circumstances, such as changes in state or federal taxes, laws or specifications, increased insurance or surety premiums or any other condition which causes any of Contractor's operating costs hereunder to increase at a rate in excess of any negotiated escalation, then the parties shall determine a reasonable and just amount to cover such increase, and rates of Contractor compensation set forth in Exhibit B shall be adjusted to reflect such increase.

3.3. In the event of a driver shortage, Contractor shall be permitted to pass through the cost of incremental labor and travel and expense costs. A driver shortage shall mean less than 90% of the drivers needed meet the District's service requirements.

4. Payment. Payment shall be made of all undisputed amounts in installment payments within thirty (30) days after the Contractor submits the "Monthly Schedule Billing Summary" to the District for Services actually performed. The form of summary is attached hereto as Exhibit C.

4.1. The District has the right to withhold payment when, in the sole opinion of the District, the following has occurred and has not been cured within seven (7) days of written notification:

4.1.1. Contractor's performance of the Services, in whole or in part, has not been carried out or is insufficiently documented.

4.1.2. Contractor has neglected to, failed, or refused to furnish information or to cooperate with the inspection, review, or audit of its program, work, or records.

5. Billing. Monthly billings to the District shall be itemized and set forth the charges for each of the following categories, among others as appropriate:

5.1. Basic monthly charges.

5.2. Charge for transportation on "other services" as defined in Exhibit A.

5.3. Charges for bus aides.

6. Liquidated Damages. Contractor agrees that if the Services are not provided as specified herein, and/or pursuant to the schedule developed pursuant to provisions of the Agreement, it is understood, acknowledged, and agreed that the District will suffer damage which is not capable of being calculated. Pursuant to Government Code section 53069.85, Contractor shall pay to the District, as fixed and liquidated damages for these incalculable damages, the sum of One Hundred and NO/100 Dollars ($100.00) per day for each and every day, per child; provided, however, that if the Services in question were provided by ALC, the Contractor shall not be responsible for any related liquidated damage. District must notify Contractor in writing within forty-eight (48) hours of an incident pursuant to which it intends to assess liquidated damages. Upon District's approval, if possible and/or appropriate, Contractor shall have thirty (30) days following such notice to cure the incident prior to the assessment of liquidated damages. District must bill Contractor for such liquidated damage within sixty (60) days of the incident if the violation has not been remedied. If the liquidated damages are not paid, the District may, in addition to its other remedies, deduct the same from any money due or to become due to Contractor under this Agreement. However, in the event that the Agreement is terminated due to Contractor's default, any damages resulting from said default may be recovered in addition thereto.

7. Independent Contractor. The Parties intend that the Contractor, in performing specified Services pursuant to this Agreement, shall be and act as an independent contractor with the sole authority for controlling and directing his/her work and the manner in which it is performed, the District being interested only in the results obtained. Contractor understands and agrees that he/she shall not to be considered an agent, employee, partner, or joint venture of the District and is not entitled to any benefits of any kind or nature normally provided to employees of the District and/or to which District employees are normally entitled, including but not limited to State Unemployment Compensation or Worker's Compensation or participation in any pension plans, bonus, stock, or similar benefits. Contractor shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, social security and income taxes.

8. No Subcontracting. Contractor may not subcontract any portion of the work to be performed under the Agreement except with advanced written approval of the District, and such approval shall not be unreasonably withheld. Such approval on the part of the District shall not constitute a waiver of any of District's rights and obligations under this Agreement, nor shall such approval relieve the Contractor of its obligations herein. Moreover, the District's approval of a subcontractor shall presume that Contractor or its subcontractor shall be subject to the same terms as this Agreement and has reviewed and secured the contractually required insurance as set forth herein. Contractor is solely responsible for payment of its subcontractors and the District has no contractual relationship with Contractor's subcontractors and shall not be considered to supervise or direct Contractor's

subcontractors in any way. District acknowledges that ALC is not a subcontractor of Contractor.

9. Employment with Public District. Contractor, if an employee of another public District, agrees that Contractor will not receive salary or remuneration, other than vacation pay, as an employee of another public District for the actual time in which Services are actually being performed pursuant to this Agreement.

10. Standard of Care. Contractor represents that Contractor has the qualifications and ability to perform the Services in a professional manner, without the advice, control or supervision of the District. Contractor's Services will be performed in accordance with generally and currently accepted principles and practices of his/her profession for services to California school districts. Contractor shall be responsible for performing the Services under this Agreement in a safe, skillful, professional manner. All Services shall be performed at Contractor's risk.

11. Safety and Security. Contractor is responsible for maintaining safety in the performance of this Agreement. Contractor shall be responsible to ascertain from the District and its member districts the rules and regulations pertaining to safety, security, and driving on school grounds, particularly when children are present.

12. Confidentiality. Contractor shall maintain the confidentiality of all information, documents, programs, procedures, and all other items that Contractor encounters while performing the Contractor's work to the extent allowed by law. This requirement shall be ongoing and shall survive the expiration or termination of this Agreement and specifically includes all student, parent, and disciplinary information.

13. Compliance with Laws. Contractor shall observe and comply with all rules and regulations of the governing board of the District and all federal, state, and local laws, ordinances and regulations. Vehicle equipment and Services covered by this Agreement must comply with all applicable laws, ordinances and other legal requirements, including but not limited to federal and California laws, rules and regulations governing the operation of transportation vehicles, the pertinent provisions of the California Vehicle Code, Administrative Code, Education Code, and pertinent provisions of the California Highway Patrol and Motor Vehicles rules and regulations.

14. AntiDiscrimination. It is the policy of the District and its member districts that in connection with all work performed under contracts that there is no discrimination against any employee engaged in the work because of race, color, ancestry, national origin, religious creed, physical disability, medical condition, marital status, sexual orientation, gender, or age. Therefore, Contractor agrees to comply with applicable Federal and California laws including, but not limited to the California Fair Employment Practice Act beginning with Government Code Section 12900 and Labor Code Section 1735. In addition, the Contractor agrees to require like compliance by all of its subcontractor(s).

15. Certifications/Permits/Licenses. Contractor shall secure and maintain in force such certifications, permits and licenses as are required by law in connection with the furnishing of Services by Contractor pursuant to this Agreement. Contractor shall not be responsible for certifications, permits and licenses of ALC.

16. Notice. Any notice required or permitted to be given under this Agreement shall be deemed to have been given, served, and received if given in writing and either personally delivered or deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, or sent by overnight delivery service, or facsimile transmission, addressed as follows:

District **Contractor**

San Leandro Unified School District ATTN: Kevin Collins 835 E. 14th Street San Leandro, CA 94577 [FAX]	First Student, Inc. ATTN: _____ 600 Vine Street, Suite 1400, Cincinnati, Ohio 45202-5755 [FAX]

Any notice personally given or sent by facsimile transmission shall be effective upon receipt. Any notice sent by overnight delivery service shall be effective the business day next following delivery to the overnight delivery service. Any notice given by mail shall be effective three (3) days after deposit in the United States mail.

17. Indemnification. To the furthest extent permitted by California law, Contractor shall defend, indemnify, and hold harmless the District, its member districts, their agents, representatives, officers, consultants, and employees (the "indemnified parties") from any and all demands, losses, liabilities, claims, suits, and actions (the "claims") of any kind, nature, and description, including, but not limited to, attorneys' fees and costs, arising from personal or bodily injuries, death, property damage, or otherwise arising out of or resulting from the Contractor's performance of or failure to perform this Agreement; except to the extent that such claims arise from or are caused by the gross negligence or willful misconduct of District, its agents or employees; ALC's performance of or failure to perform Services pursuant to this Agreement or any transportation agreement between the District and ALC; student-upon-student violence; routing; or Contractor's good faith adherence to District's policies, procedures, directives. The District shall have the right to accept or reject any legal representation that Contractor proposes to defend the District.

18. Performance Bond. Prior to performance of this Agreement, Contractor shall provide the District with a performance bond in the amount equal to 100% of the estimated annual Agreement price. The performance bond must be renewed annually. The Parties shall agree upon the estimated annual Agreement price annually, prior to the performance bond coming due each year. The Contractor will not be considered to have met the conditions of the Agreement and shall not be entitled to receive payment under the Agreement until the Contractor has provided to the District a performance bond meeting said requirements. The Performance Bond must be on a form that is acceptable to the District and must be issued by an Admitted Surety, which, unless otherwise agreed to by the District in writing, at the time of issuance of the bond, has a rating not lower than "A-" as rated by the A.M. Best Company, Inc. or other independent rating company.

19. Insurance.

19.1. The Contractor shall procure and maintain at all times it performs any portion of the Services the following insurance with minimum limits equal to the amount indicated below.

Type of Coverage	**Minimum Requirement**
Commercial General Liability Insurance, including Bodily Injury, Personal Injury, Property Damage, and Medical Payments	
Each Occurrence	$ 1,000,000
Aggregate	$ 2,000,000
Automobile Liability Insurance - Any Auto, including Bodily Injury and Property Damage, and endorsement for	

Changes in Business Auto and Truckers Coverage Combined single limit per accident	$ 10,000,000
Workers Compensation	Statutory Limits
Employer's Liability	$ 1,000,000
Sexual Abuse and Molestation	$ 3,000,000

19.1.1. **Commercial General Liability and Automobile Liability Insurance.** Commercial General Liability Insurance and Any Auto Automobile Liability Insurance that shall protect the Contractor, the District, and the State from all claims of bodily injury, property damage, personal injury, death, advertising injury, and medical payments arising performing any portion of the Services. (ISO Form CG 0001 or GL 0002 and GL 0404, and CA 0001 and CA 0029, or forms substantially similar, if approved by the District.)

19.1.2. **Workers' Compensation and Employers' Liability Insurance.** Workers' Compensation Insurance and Employers' Liability Insurance for all of its employees performing any portion of the Services. In accordance with provisions of section 3700 of the California Labor Code, the Contractor shall be required to secure workers' compensation coverage for its employees. If any class of employee or employees engaged in performing any portion of the Services under this Agreement are not protected under the Workers' Compensation Statute, adequate insurance coverage for the protection of any employee(s) not otherwise protected must be obtained before any of those employee(s) commence performing any portion of the Services.

19.2. Contractor shall not commence performing any portion of the Services until all required insurance has been obtained and certificates indicating the required coverage have been delivered in duplicate to the District and approved by the District. Certificates and insurance policies shall include the following:

19.2.1. A clause stating: "This policy shall not be canceled or reduced in required limits of liability or amounts of insurance until notice has been mailed to the District, stating date of cancellation or reduction. Date of cancellation or reduction shall not be less than thirty (30) days after date of mailing notice."

19.2.2. Language stating in particular those insured, extent of insurance, location and operation to which insurance applies, expiration date, to whom cancellation and reduction notice will be sent, and length of notice period.

19.2.3. An endorsement stating that the District and its Governing Board, agents, representatives, employees, trustees, officers, and consultants are named additional insured for claims arising under this Agreement under all policies except Workers' Compensation Insurance and Employers' Liability Insurance. An endorsement shall also state that Contractor's insurance policies shall be primary to any insurance or self-insurance maintained by District. An endorsement shall also state that there shall be a waiver of any subrogation only to the extent that covered claims or damages are caused by Contractor's own negligence or willful misconduct.

19.2.4. All policies except the Workers' Compensation Insurance and Employers' Liability Insurance Policies shall be written on an occurrence form.

19.3. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the District.

19.4. Contractor shall not commence Services until it has provided to the District, in a form acceptable to the District, certificates and endorsements effecting coverage required by this Agreement signed by a person authorized by the insurer to bind coverage on its behalf.

20. Force Majeure. The term "force majeure" means an extraordinary occurrence that is beyond the control of the Party affected and could not have been avoided by exercising reasonable diligence. Contractor shall be excused from performance hereunder during the time and to the extent that it is prevented from obtaining delivery, or performing by act of God, fire, strike, loss, or shortage of transportation facilities, lockout, commandeering of materials, products, plants, or facilities by the government, when satisfactory evidence thereof is presented to the District.

21. Termination.

21.1. **For Cause.** Should Contractor fail to comply with any of the material terms or conditions set forth in this Agreement, then the District shall have the right to terminate this Agreement by providing written notice of the default to the Contractor and the opportunity to remedy the violation or take steps to remedy the violation within thirty (30) days of receipt of District's written notice. A material term or condition is a term or condition which touches on the District's educational purpose, or places at risk the health, safety, or well-being of the District's students. If at the end of such 30-day default notice period, the Contractor has not remedied the purported violation or taken steps to do so, the District may terminate this Agreement as follows: within ten (10) business days following the last day of the 30-day default notice period, the District shall give the Contractor not less than (fifteen) 15 business days' notice of termination. The Contractor and its performance bond surety, if any, shall be liable for all damages caused to the District by reason of the Contractor's failure to perform and complete this Agreement. Termination shall have no effect upon any of the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of termination.

21.2. **For Non-Appropriation of Funds.** If funds have not been appropriated or allocated for further periodic payments under this Agreement, then the District will not be obligated to pay the balance remaining beyond the fiscal period for which funds have been appropriated or allocated In the event District shall elect to terminate this Agreement due to state legislative funding deficiencies, District shall give written notice to Contractor on or before February 1 prior to the end of any school year for services to be rendered in the following school year . As the Contractor will make reasonable efforts to offset costs in the event of a termination, the District shall reimburse the Contractor in full for costs incurred by Contractor as the result of such early termination, including, but not limited to, retrofit and redeployment of vehicles, contract close-out costs, facility/property related expenses associated with closure of property and sale as appropriate, and fueling infrastructure related costs, and all other associated termination costs. Contractor shall not receive damages for termination for non-funding.

21.3. **For Convenience**. Either party may terminate this Agreement for convenience upon not less than one hundred and eighty (180) days prior written notice to the other party. As the Contractor will make reasonable efforts to offset costs in the event of a termination, the District shall reimburse the Contractor in full for costs incurred by Contractor as the result of such early termination, including, but not limited to, retrofit and redeployment of vehicles, contract close-out costs, facility/property related expenses associated with closure of property and sale as appropriate, and fueling infrastructure related costs, and all other associated termination costs. Contractor shall not receive damages for termination for non-funding.

22. Disputes. In the event of a dispute between the parties as to performance of the Services, the interpretation of this Agreement, or payment or nonpayment for work performed or not performed, the parties shall attempt to resolve the dispute by mediation if mutually agreeable. Notice of the demand for mediation of a dispute shall be filed in writing with the other party to the Agreement. The demand for mediation shall be made within a reasonable time after written notice of the dispute has been provided to the other party, but in no case longer than ninety (90) days after initial written notice. If a claim, or any portion thereof, remains in dispute upon satisfaction of all applicable dispute resolution requirements, the Contractor shall comply with all claims presentation requirements as provided in Chapter 1 (commencing with section 900) and Chapter 2 (commencing with section 910) of Part 3 of Division 3.6 of Title 1 of Government Code as a condition precedent to the Contractor's right to bring a civil action against the District. For purposes of those provisions, the running of the time within which a claim must be presented to the District shall be tolled from the time the claimant submits its written claim until the time the claim is denied, including any time utilized by any applicable meet and confer process. Pending resolution of the dispute, Contractor agrees it will neither rescind the Agreement nor stop the Services.

23. Other Contracts. The District retains the right to contract separately with other vendors for other transportation services.

24. Limitation of District Liability. District's financial obligations under this Agreement shall be limited to the payment of the compensation provided in this Agreement. Notwithstanding any other provision of this Agreement, in no event shall District be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement for the Services performed in connection with this Agreement.

25. Assignment of Contract: Contractor shall not assign or transfer in any way any or all of its rights, burdens, duties, or obligations under this Agreement without the prior written consent of the District, and such consent shall not be unreasonably withheld

26. Binding Contract: This Agreement shall be binding upon the parties hereto and upon their successors and assigns, and shall inure to the benefit of said parties and their successors and assigns.

27. No Rights in Third Parties. This Agreement does not create any rights in, or inure to the benefit of, any third party except as expressly provided herein.

28. California Law. This Agreement shall be governed by and the rights, duties and obligations of the Parties shall be determined and enforced in accordance with the laws of the State of California. The Parties further agree that any action or proceeding brought to enforce the terms and conditions of this Agreement shall be maintained in Alameda County, California.

29. Attorney Fees and Costs. Should litigation be necessary to enforce any terms or provisions of this Agreement, then each party shall bear its own litigation and collection expenses, witness fees, court costs and attorney's fees.

30. Waiver. The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.

31. Captions and Interpretations. Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.

32. Provisions Required by Law Deemed Inserted. Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein and this Agreement shall be read and enforced as though it were included therein.

33. Severability. If any term, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect, and shall not be affected, impaired or invalidated in any way.

34. Future Assurances. Each of the Parties agrees to execute such further documents and take such further actions as may be reasonably necessary or appropriate to effectuate the terms of this Agreement.

35. Execution by Facsimile or Electronic Mail or in Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original of the Agreement. Signature pages transmitted by facsimile or electronic mail to other parties to this Agreement shall be deemed equivalent to original signatures on counterparts.

36. Warrant of Authority. Each of the persons signing this Agreement represents and warrants that such person has been duly authorized to sign this Agreement on behalf of the Party indicated, and each of the Parties by signing this Agreement warrants and represents that such Party is legally authorized and entitled to enter into this Agreement.

37. Integration/Entire Agreement of Parties. This Agreement constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations, and agreements, whether oral or written. This Agreement may be amended or modified only by a written instrument executed by both Parties. Services shall not be rendered until Agreement is approved.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates indicated below:

San Leandro Unified School District

Date: July 11, 2016

By: (Kevin Collins)

Print Name: Kevin Collins

Title: Assistant Superintendent

First Student, Inc.

Date: July 21, 2016

By: Elizabeth Sanchez

Print Name: Elizabeth Sanchez

EIN No.: 59-2364035

EXHIBIT "A"

TRAFFIC SERVICE SPECIFICATIONS AND SCOPE OF WORK

1. **SINGLE POINT OF CONTACT**: Contractor shall provide a single point of contact for all purposes under this Agreement. That single point of contact, and his/her contact information is:

   Name: Kevin Collins
   Phone(s): (510) 667-3504
   Email(s): kcollins@slusd.us
   Address: 835 E. 14th Street San Leandro, CA

2. **PERIOD OF PERFORMANCE**: The period of performance for this Agreement shall commence in the 2016/2017 fiscal year, beginning on August 1, 2016 and ending on or about July 31, 2021, unless earlier terminated pursuant to the provisions of this Agreement.

3. **SCOPE OF WORK**: The Services shall consist of furnishing and maintaining school bus transportation as required for special education students and other persons designated by the District, to and from points as directed. Such transportation to be furnished by means of buses herein specified and at such times and places as shall be specified by the District. The District reserves the right to change school hours, adjust starting times, increase or decrease service and to make periodic increases or decreases in the number and type of buses required. District acknowledges that Contractor and ALCare working in cooperation to provide Services for the District and that all routes that Contractor cannot accommodate will be provided by ALC; provided, however, that with the exception of six (6) wheelchair routes which will be provided by Contractor, ALC will provide all routes for the District for the period beginning August 1, 2016 until January 1, 2017. The District acknowledges that Contractor will not occupy an office or shop and will not have a location manager, technician or other personnel dedicated to the Services, except drivers, until after December 2016. By January 1, 2017, Contractor intends to operate 27 routes, with the remaining routes provided by ALC. District further acknowledges that Contractor does not participate in any part of the management or operation of ALC and will not be held responsible for, nor accepts any responsibility for, any issue, claim or non-performance due to ALC's provision of transportation services to the District.

4. **INFORMATION FOR STATE REPORTS**: The Contractor will supply the District with information to enable the District to apply to the California Department of Education for reimbursement for student transportation. For this purpose, the relevant provisions of the Education Code and the rules and regulations adopted by the California Department of Education from time to time shall be a part of this Agreement. The Contractor further agrees to submit the following information to the District on the form(s) provided by the District:

   4.1. A monthly report showing the total number of miles each bus traveled and the number of students transported on each bus for specified days.

4.1.1. Summary of type of student transported. i.e. Special Education, indicating type of handicap for Special Education students.

4.1.2. Number of buses used to transport the students.

4.1.3. Number of days transported.

4.1.4. Total home to school miles and other miles, i.e. field trips, accounted for separately.

4.2. An annual report showing the average number of students transported.

4.3. Other relevant information as may be requested.

5. SERVICE REQUIREMENTS: During the term of the Agreement, the requirements for student transportation services shall be as follows:

5.1. Special Education Home to School Services – Regular School Year: Student transportation services shall be provided to meet the District's special education transportation needs for home to school transportation during the regular school year. Transportation services may also be required to transport students to special services offered during the school day. Home to school transportation shall include day care arrangements. The school calendar year covers the months of August through June, inclusive. The buses contracted for are estimated to be required for each of 200 school days. The individual calendars for each of the schools being served may vary depending upon the district where each is located. Each school operates approximately 180 days but the overlap in school opening and closing dates and holiday periods will extend the total days of operation. Regular school year transportation may overlap extended year (Summer School) transportation.

5.2. Special Education Home to School Services – Extended Year (Summer School): The Special Education extended year (Summer School) covers a portion of the months June, July and August. The buses contracted for are estimated to be required for each of approximately 30 school days. Extended year (Summer School) transportation may overlap regular school year transportation. Contractor's Services will begin after the 2016 extended year (Summer School).

5.3. Out of Area: Any students transported outside of the school attendance boundaries will be billed at an adjusted rate, as determined by the District. The out of area boundaries are determined by the District, and the District will provide written notice of the specific applicable out of area boundaries to Contractor.

5.4. Other Services: Other student transportation services may be requested for school sponsored activities such as field trips and work experience programs.

5.5. Routing and Scheduling Buses:

5.5.1. The Parties agree to meet and review the routes prior to the start of service for the students, and shall meet, at least quarterly, to review the routes for efficiency and cost-saving measures.

5.5.2. The District shall have the right to audit (for performance, mileage and routing) any or all routes and may require changes in routing and scheduling if, in the District's opinion, such changes would result in increased bus and seat utilization or better service to students or schools. If changes are required, Contractor will be given at least one week prior written notice. Contractor will cooperate closely to implement required changes as quickly and smoothly as possible.

5.5.3. The written approval of the District is required for the addition of any buses to the Agreement or to any bus modification which will result in any increase in overall charges to the District.

5.5.4. Maximum ride times are one hour with exceptions approved by the District; however, ride times for students in TK shall be no more than 45 minutes – no exceptions.

5.5.5. Students may arrive at their assigned schools no later than fifteen minutes prior to the start of their classes and must be picked up with fifteen minutes after the close of their classes.

5.5.6. Children are not to be transferred to another bus going to or coming from school, except in case of emergency or breakdown, or unless the bus schedule calls for such transfer on school property.

5.5.7. Implementation of routing and scheduling changes shall occur within five working days.

5.5.8. The Contractor will provide a direct phone line, fax, and e-mail capability to their dispatch/scheduling office to be used by the District for the purpose of communicating with the dispatcher/scheduler concerning scheduling changes, emergencies, resolving complaints, problems, etc.

6. EQUIPMENT REQUIREMENTS

6.1. **Inspection and Maintenance of Buses, Terminals, and Driver In-service**: The Contractor shall keep and maintain all buses in good operating and running condition, and in a clean and satisfactory condition, and in order to insure the same, the Contractor will make the buses available in the Contractor's garage for inspection by the District's representatives. With prior written notice, the District may inspect buses, terminals, and attend a driver in-service to ensure that all are maintained in a satisfactory condition.

6.2. **Fuel; Local Purchases**. Contractor shall purchase at its own cost, inclusive of all fuel taxes, all fuel required for the operation of buses hereunder.

6.3. **Buses**: The Contractor shall use only school buses with an average age of no older than eight (8) years, and at no time shall the age of any bus used exceed the maximum of ten (10) years on July 1 of each year. All buses supplied by Contractor in performance of this Agreement shall meet or exceed the standards established by the laws and regulations of the State of California, including but not limited to the California Administrative Code, Titles V and XIII, and the California Vehicle Code, as well as Federal Motor Vehicle standard "PL 89-563" and Federal Highway Safety Program Guideline No. 17 – Pupil Transportation Safety. All buses shall at all times be properly certified by the California Highway Patrol. All buses shall be equipped with lift gates, flat floors, and any other specialized equipment necessary to ensure the safe transport of special education students, including wheelchair-bound students and students with physical, mental, and/or emotional disabilities. The Contractor shall supply a minimum of twenty-seven (27) buses, in addition to spare buses as provided in Sec. 6.5.

6.4. **Required Modification of Equipment**: Any installation or modification of equipment required by a change in law or regulation shall be made by the Contractor at Contractor's expense and certified by the California Highway Patrol. In the event that District or any governmental agency imposes equipment requirements other than those set forth in this Agreement on Contractor's vehicles during the term of the Agreement, which are specific requirements for the operation of this Agreement or immediate installation is required for continuing operation of the vehicles, Contractor and District in good faith shall negotiate price increases applicable to such equipment requirement. If the parties do not reach agreement regarding applicable price increases, either party may terminate the Agreementt upon not less than 60 days prior written notice to the other party, with the agreement that this time may be extended, contingent upon the District securing a replacement provider for Contractor's Services.

6.5. **Stand-by Buses and Drivers**: Contractor shall at all times keep ample stand-by regular buses and drivers available (equal to 10% of buses and drivers in regular service) to assure that uninterrupted service can be provided in the event of mechanical breakdowns or driver absenteeism. Stand-by buses and drivers shall meet the same requirements as buses and drivers assigned to regular runs.

6.6. **Two-Way Radios**: Contractor will provide two-way radio equipment assuring communication with a base station dispatch terminal for each bus serving the Agreement. In addition, Contractor will maintain sufficient spare mobile two-way radio units to assure communications capability at all times. Citizen Band radios are not acceptable. Failure to maintain each radio in good working order at all times when such buses are being assigned to transport students shall be a material breach of this Agreement.

6.7. **Car Seats and Seat Belts**: All students transported will be required to use seat belts. Contractor will provide the required wheelchair tie-downs, car seats, seat belts, harnesses and vests based on age and condition of the passengers as specified in the IEP, for their comfort, medical needs, and safety.

6.8. **Transportation of Medication**: Contractor will transport medication to accompany the student and convey the medication to the designated responsible person.

6.9. **Air Conditioning**: Buses with air conditioning must be provided for those students whose IEP indicates the need for air conditioning due to medical needs.

6.10. **Cameras**: Each bus must be equipped with a camera box and that not less than five cameras be provided and operational. The cameras shall be rotated with the District's assigned bus fleet as may be necessary.

6.11. **GPS**: Each bus must be equipped with a global positioning system ("GPS"), and District shall have twenty-four hour access to the GPS location of each bus utilized under this Agreement.

7. **IDENTIFICATION**: The Contractor shall assign to each vehicle an "Identification Number" (to be carried or marked by six inch numerals painted on either all four corners of the vehicle or on the front corners and rear center of the vehicle) and furnish the District the description of each vehicle and number on or before August 25th of each year. Contractor shall not use any markings or lettering which identifies such vehicles or equipment with or as operated by the District. Route identification signs are not included in this prohibition. Each driver will have a photo ID badge stating that they are a subcontracted transportation provider for the Contractor or ALC and the District.

8. **FACILITY:** San Leandro Unified School District will provide a transportation facility for the parking of buses designated for District use and a shop for maintenance on vehicles (collectively, the "Facility"). Contractor shall use the Facility for the purpose of office administration, parking vehicles, bathrooms, and servicing during the term of the Agreement. If the event the Facility becomes unavailable for use by Contractor during the term of the Agreement, the District shall use its best efforts to provide an alternative facility or the parties shall in good faith negotiate new terms for the Agreement to address additional costs to the Contractor as a result of the unavailability of the Facility.

9. **DRIVERS' QUALIFICATIONS**: The Contractor shall provide drivers who are trained and licensed in accordance with the California Laws, Rules, and Regulations governing the operation of school transportation vehicles, Federal Laws Governing Class A or B License holders and experienced with the regulations, handling, and supervision of special education students. All drivers provided by Contractor shall have had CPR Training and First Aid Training and shall hold valid First Aid Certificates and CPR Certificates issued by the American Red Cross. Drivers are to be able to identify and properly cope with epileptic-type seizures.

9.1. Contractor shall follow mandated drug testing requirements for its employees.

9.2. Each school bus driver employed by the Contractor to provide service to the District shall have knowledge of the operation of the mobile two-way radio and all Federal Regulations covering its use.

9.3. Each school bus driver employed by the Contractor to provide service to the District shall have a chest x-ray or skin test indicating the driver is free from tuberculosis prior to driving a school bus. Chest x-rays or skin test shall be required every four years at Contractor's expense. Contractor shall establish and maintain a record-keeping system to assure that each driver meets this requirement. These records shall be available for review by the District.

9.4. Each school bus driver employed by the Contractor to provide service to the District shall be required to check in with Contractor for messages via radio each morning as they being their route.

9.5. Each school bus driver employed by the Contractor to provide service to the District shall contact dispatcher immediately upon determination that the bus shall be in excess of twenty minutes late in delivering a student. Dispatcher shall immediately notify all necessary persons, including parents/guardians.

9.6. Following California Department of Education guidelines, the Contractor shall employ at least one full-time trainer and safety instructor who will also personally travel each route with the assigned driver at least one each year to survey the driver's performance, route hazards, and equipment efficiency. Driver records shall be made available for review by the District upon request.

9.7. Contractor shall bear the responsibility for hiring and discharging its personnel and ALC shall bear the responsibility for hiring and discharging its personnel. The Contractor further agrees that the District shall have the right to require the removal from the District's service any person or driver who, in the reasonable opinion of the District, is not qualified to operate a school bus for service to the operating and safety standards required by the District.

9.8. Contractor agrees that it shall enter into no agreement or arrangement with any employee, person, group, organization, district or District which will prevent the Contractor's ability to comply to the full extent of this Agreement with the District and the requirements contained therein.

9.9. Contractor shall not assign for service under the Agreement any person who has been released, reassigned, transferred or otherwise removed from another route or assignment for any reason related to inappropriate conduct, verbal, physical, or otherwise, toward students or other persons.

9.10. Each school bus driver employed by the Contractor to provide service to the District who is required to transport pupils with special needs (e.g. wheelchairs, safety vests, car seats, seizures, etc.) must receive appropriate training relevant to those special requirements and must be physically able and willing to assist such students in safely boarding and exiting the bus, and in ensuring that seat belts, child safety restraint systems, safety vests, or other necessary restraint equipment are properly utilized. It shall be the driver's responsibility to see that car seats, seat belts, harness straps or restraints are properly adjusted and fastened as

soon as the student enters his/her seat and for the duration of the trip. Wheelchair brakes must be in locked position during transport.

10. **SCHOOL BUS AIDES**: Contractor shall employ and assign, at the request and approval of the District, school bus aides or attendants for students who require aides because of the nature and/or severity of their handicapping condition.

11. **DRY-RUNS**: Dry-runs will be conducted for all routes prior to the beginning of a new school year and/or summer session. Parents will be notified of approximate student pickup and drop-off times prior to the first day of school. A driver orientation will be conducted for all Contractor drivers who will be assigned to perform Services for the District. The drivers' orientation shall include, but will not be limited to, student management, relationships with the school and the general public, discipline on the school bus, and other pertinent information. The cost of said dry-runs and driver orientation shall be borne by the Contractor.

12. **SAFETY PROGRAM**: Contractor shall observe all requirements of California laws governing the safe operation of school bus equipment and training of personnel as it relates to the safety of students transported for the District. Contractor is to provide for an annual Emergency Exit Drill for each student transported. Records of these drills shall be maintained as a permanent record and may be reviewed by the District.

13. **STUDENT DISCIPLINE**: Contractor shall recognize its responsibility to the District for the maintenance of proper student discipline as an inherent factor to the safety of all persons aboard a school bus. The driver is to report to the Contractor and is not to perform any acts of discipline. The following guidelines (among others) shall be of assistance to drivers employed by the Contractor in determining procedures to be followed in maintaining acceptable student discipline.

    13.1. Bus drivers have responsibility for maintaining proper discipline on their bus.

    13.2. Student behavior problems that occur on the bus will be referred to the receiving school administrator by means of a written citation defining the problem behavior. A copy of the citation shall be given to the parent/guardian of the student and a copy shall be given to the administrator.

    13.3. The school personnel will counsel with the student and the parent to resolve the behavior problem. Any disciplinary action to be taken regarding the student shall be determined by the administrator.

    13.4. In general, the bus driver is not authorized to remove students from the bus. In serious circumstances when a student is endangering the safety of other riders, an offender may be ejected at the school site immediately into the custody of an administrator. If such action is taken, the driver must notify the Dispatcher by radio, who will notify the District immediately.

14. **COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT**: Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA),

programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the Services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of Services, benefits, or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns shall constitute a material breach of this Agreement.

15. **FINGERPRINTING AND BACKGROUND CHECKS**: Contractor shall ensure those Contractor drivers and any other Contractor employees providing Services to the District under this Agreement who will have contact with District students comply with the fingerprinting and criminal background investigation requirements set forth in Education Code sections 45125.1 and 45125.1, Following execution of this Agreement, Contractor shall provide verification of compliance with fingerprinting and background requirements to the District upon hiring or engagement of any new employee prior to permitting the individual any contact with District pupils.

16. **CHILD ABUSE AND NEGLECT REPORTING**: Contractor will follow the Child Abuse and Neglect Reporting Act ("CANRA") guidelines as Mandated Reporters to report suspicions of possible child abuse to the appropriate reporting agency as stated in California Penal Code sections 11164 – 11174.

17. **MINIMUM STAFFING BY CONTRACTOR**: To ensure to the District responsible service for transportation activities, the Contractor may employ and maintain a local management group qualified to perform assigned duties. Such assignments may include, but not be limited to a manger responsible for overall responsibilities for the operation, a staff person assigned for safety and training, a director of operations, and a dispatching staff. Nothing in this section would prohibit the holding of more than one position by any person.

    Vehicle maintenance shall be directed by a person experienced in the school bus mechanical repairs field. Mechanical staff to be fully qualified and certified to perform maintenance service on school buses as provided under California laws now applicable and those laws subsequently enacted in this respect. All personnel assigned to perform under this Agreement shall be subject to continuous approval by the District and by the Contractor.

18. **RECORDS AND ACCIDENT REPORTS**: Contractor shall be required to provide those reports and records deemed necessary by the District for proper knowledge of, and evaluation of, the transportation Services provided to the District. Contractor shall make all necessary reports to law enforcement, California Highway Patrol and to the District. Contractor will follow up with copies of all accident reports to the District within twenty-four hours of the accident.

19. **CONTRACTOR RECORDS AND REPORTS UPON DISTRICT'S REQUEST**: Contractor agrees to provide the District with periodic reports as requested by the District including, but not limited to, the following:

    19.1. Monthly report on all late or missed trips, with cause of problem and corrective action taken.

19.2. Copies of all additional trip records showing schedules, number, type of trip, number of students carried, time of trip and miles traveled.

19.3. Copies of all California Highway Patrol, California Motor Carrier and Federal Department of Transportation Vehicle Inspection reports on Contractor's buses.

19.4. Access to bus operational and maintenance cost records. Contractor agrees that any and all routing information, whether developed by Contractor or District, is the property of the District. Contractor has no proprietary right to any such information.

20. DRIVER ASSIGNMENTS: Contractor agrees to assign drivers to routes on a permanent basis for the school year. The only times other drivers are to be assigned to the regular route is in the event of illness, resignation, or dismissal of the regular driver. Contractor understands that this item is of essence of the Agreement.

21. DISTRICT INFORMATION TO CONTRACTOR: The District agrees to provide Contractor with the approximate number of students to be transported, by school, by August 1 of each new school year.

22. DISTRICT/CONTRACTOR COOPERATION: Contractor shall schedule all routes in keeping with the safety of the students. Contractor shall cooperate with the District in maintaining a good public relations program. The District and Contractor will establish the following guidelines for contact and cooperation:

22.1. Establish a directory of personnel in each organization to contact for every type of communication.

22.2. Establish procedures for all communications to be confirmed in writing by both parties.

22.3. Establish a specific program for handling field work in order to most effectively prevent problems and, if they arise to settle them as quickly and as close to the source of the problem as possible.

22.4. Establish procedures for dealing with disputes involving routes, schedules, student conduct, public relations, and other operational problems that may arise.

22.5. Establish a direct telephone line between the District and Contractor.

22.6. Establish such other written guidelines which may be required to assure effective communication and cooperation between the office of the District and Contractor at all times.

22.7. Contractor will provide District with a two-way radio for monitoring purposes only of assigned bus routes to the District.

22.8. The District and Contractor agree to respond with the corrected action taken within five working days or as soon as practical as determined by the situation.

23. **COLLABORATIVE ROUTING**: The District agrees to use the most cost efficient hybrid analysis which will include a combination of ALC routes and Contractor routes.

23.1. The process for determining these routes is as follows:

23.1.1. Contractor will route all District students into buses

23.1.2. ALC will provide the routes to Contractor

23.1.3. Contractor will perform a cost analysis using the established bus costs and Contractor's pricing matrix

23.1.4. Contractor will provide the hybrid routing of all student data to ALC

23.1.5. ALC and Contractor will agree to the hybrid routing.

23.2. Together, ALC and Contractor will provide and present the District with the most cost efficient hybrid analysis, based on available resources. When the District needs to add a new student to the program, the following process should be followed:

23.2.1. District sends student's information to ALC

23.2.2. ALC attempts to route the new student into an existing run

23.2.3. If the student doesn't fit within an existing run, ALC will send the student's information to Contractor

23.2.4. Contractor attempts to route the new student into an existing bus route

23.2.5. If the student doesn't fit within an existing bus route, Contractor will create a new run for the student and send the new run information to the District for approval.

23.2.6. New runs will not be dispatched until approval is received from the District.

[END OF EXHIBIT A]

EXHIBIT B

RATE SHEET

SOUTH COUNTY TRANSPORTATION GROUP PROGRAM

(1) For Daily Home-to-School Special Education Transportation Service:

Category	Rate
Per Bus Per Day	$459.11

(2) Mid-Day Routes

Category	Cost per Run
Per Bus Per Run	$104.03

(3) For "Other" Transportation, as required (i.e. fieldtrips):

Category	Cost per hour of services	Cost per mile of service
Ambulatory	$45.54	$1.11
Non-Ambulatory	$45.54	$1.11

Category	Cost per hour of services Over 6 hrs	Cost per mile of service Over 75 miles per route
Excess Charge	$37.50	$1.25

All prices subject to 2% annual increase.