



# **SCHOOL BOARD ACTION REPORT**

**DATE:** Sept. 24, 2019  
**FROM:** Denise Juneau, Superintendent  
**LEAD STAFF:** Fred Podesta, Chief Operations Officer  
fhpodesta@seattleschools.org, 206-252-0102

**For Intro:** Oct. 2, 2019  
**For Action:** Oct. 2, 2019

## 1. **TITLE**

First Student Settlement Agreement and Contract Modifications.

## 2. **PURPOSE**

This Board Action Report proposes approval of a Settlement Agreement (“Agreement”) to resolve the parties claims and disputes and authorizes changes to the scope of the work, which incorporates certain performance improvement contract modifications.

## 3. **RECOMMENDED MOTION**

I move that the School Board approve the Settlement Agreement with Exhibits 1, 2 and 3 as attached to the Board Action Report with such minor additions, deletions and modifications as deemed necessary by the Superintendent. Immediate action is in the best interest of the district.

## 4. **BACKGROUND INFORMATION**

### **a. Background**

Seattle Public Schools had a strong start to the 2019-20 school year thus far, with student bus transportation provided by First Student running on time at a much higher rate than the past two years. More timely service this year is due to the parties working together to improve driver recruitment/retention and overall planning.

The current district contract with First Student for student transportation began in August of 2017. On-time bus service during the first two years of the contract has been challenging. The impacts of a nationwide bus driver shortage meant that First Student lacked sufficient drivers to provide service. As with many school districts across the region and the country, this challenge resulted in many late and missed routes, which caused difficulty for our students and families.

In addition, during the fall and winter of 2017, First Student’s bus drivers went on strike for a total of eight school days. The reason for the strike centered largely around the drivers’ request for improved health care benefits. During the strike, very few First Student routes were in service. Ultimately, First Student improved the benefits offered to the drivers and the strike was resolved. The district strongly supported improved health care benefits for drivers and this resolution to the strike.

Following the strike, First Student asserted that the district was responsible to pay for the costs of the new benefits. Likewise, the district notified First Student that it was seeking liquidated damages for all routes that were missed during the strike. The district has also asserted liquidated damages for the late and missed routes that occurred since the strike. Each party disputes the other's claims and damages.

To improve bus service and resolve contract issues, the parties have negotiated a proposed settlement that includes several key elements. These elements focus on resolving past disputes, but more importantly, on implementing measures to improve service going forward.

The Agreement will allow the parties to focus on working together to continue improvements in bus service for students while avoiding the uncertainty and cost of litigation.

The Agreement includes:

- a) release of all claims by both parties;
- b) compensation to the district of \$400,000 by First Student;
- c) compensation to the district of an additional \$162,540 by First Student for the extra costs of 2019 Durham service;
- d) a new performance-based payment plan for First Student's services to better incentivize performance;
- e) elimination of contractual restrictions on the district to hire other carriers such as Durham;
- f) extension of the service contract for transportation services through August 2021 to provide transportation certainty to the district;
- g) agreement to 2019-20 rates; and
- h) First Student will provide a phone application (First View) available for the district so that parents and students may track bus timeliness.

#### **b. Compensation to SPS**

While the parties' focus during the past two years has been to hire additional drivers and improve service, the district has also engaged in negotiations with First Student to comprehensively resolve the parties' competing claims regarding damages and service levels, both as to the period of the driver strike and since that time. The attached Agreement is the result of those negotiations. Under the Agreement, both parties fully release all claims against the other. In exchange for this resolution, among other things, First Student agrees to compensate the district \$400,000 in damages.

First Student also agrees to compensate the district for the extra costs involved in contracting with Durham last school year (\$162,540). As one measure to address the need for improved service for students, the district contracted with Durham School Services to provide additional bus service for a portion of the 2018-19 school year. Due to changes in its other contracts, Durham had a limited number of extra buses and drivers available to serve the district. Under the attached Agreement, First Student agrees to compensate the district for the extra cost of that Durham service.

#### **c. Incentive Based Pay and other Contract Modifications**

The Agreement also includes certain important proposed modifications to improve service under the existing service contract. Key elements of these proposed contract modifications include:

**Incentive Based Payment System** – The proposed Agreement includes a new incentive-based pay system structured around Key Performance Indicators. Under the new approach, First Student’s monthly payment will be based on how well they perform based on indicators that include on time bus arrival, safety and accurate student counting. The district’s payments to First Student will be increased or decreased based upon how well First Student performs relative to these indicators, creating a more meaningful incentive for performance.

This change to the contract is proposed for a number of reasons. First, this new model is believed to provide better incentives for improved performance. Second, the district’s old liquidated damages model is subject to legal uncertainty and not consistent with what is used by other districts nationwide. The district has been advised that the damage levels in our current contract are well beyond those in other district’s agreements. Other bus service providers have informed us that our current system would be a strong disincentive for them to propose to work with the district. Making this change now hopefully sets the stage for the district to attract additional proposers in future contract cycles.

**Elimination of Restrictions on SPS Contracting with Other Providers** – The existing contract limits the district’s ability to readily contract with other providers for student transportation. It also provides penalties against the district if a certain volume of routes is not provided to First Student. The Agreement eliminates these provisions for the benefit of the district and allows the district to contract with other providers (such as Durham) as it deems appropriate.

**Contract Extension** – The proposed Agreement will extend the existing First Student service contract for an additional year through the 2020-21 school year and includes an option to extend the contract for the 2021-22 school year if agreed by the parties. This extension is an important step to provide the district with certainty that bus service will be available during that school year.

When the current contract was originally awarded to First Student in 2017, First Student was the only firm to submit a proposal for the contract. Challenges of startup costs, availability and cost of real estate for bus bases, and other factors make it difficult for other providers to offer full service to the district. In light of the district’s transportation challenges, the Superintendent has launched an initiative to develop new and innovative ways of providing student transportation. While that work is underway, identifying and implementing innovative transportation solutions will take time. Extending the contract with First Student will allow for that work to continue while providing certainty in the near term that the district will have the needed transportation services for its students.

**Contract Base Pay and Driver Pay Adjustments** - School Board approval of the Agreement includes authorization for the base pay rates to First Student for the 2019-20 school year. The approved base rates will be adjusted for inflation and other factors under the contract terms for the 2020-21 school year. Pay rates may also be increased or decreased

monthly based upon the new incentive pay system set forth in the Agreement (discussed above).

The new contract terms also provide for the possibility of further increasing compensation to First Student if bus driver pay increases are needed to attract and retain a sufficient driver workforce. In order to pursue such an adjustment, First Student must demonstrate that driver staffing levels are the majority cause of failing to achieve the on-time bus arrival performance standards and that driver compensation is the primary cause of insufficient driver staffing levels. All compensation increases provided to First Student under this proposed new provision are subject to district approval and must be completely passed on to drivers and none retained for profit or administrative costs.

**Bus Tracking App** – The Agreement also provides for First Student to make a smartphone application (First View) available for free to the district. This product is designed to allow parents and students to track the timeliness of their buses.

**d. Alternatives**

Not approve the Agreement. This is not recommended. The Agreement will help to improve service and allow the parties to avoid the uncertainty, disruption, cost of litigation and continue to focus on working together to improve bus service for the district’s students. It also provides certainty regarding the provision of bus service in the 2020-21 school year and allows the district to hire other service providers as deemed appropriate by the district.

**e. Research**

Not applicable.

**5. FISCAL IMPACT/REVENUE SOURCE**

School districts in many parts of the country have faced challenges in providing acceptable transportation services due to a shortage of qualified drivers. Providing competitive compensation to drivers in Seattle is in the interest students. The costs to support increased wages and benefits are reflected in the annual estimated contract values in table below.

As noted above, the Agreement will allow the district to deduct a one-time amount of \$562,540 from 2019-20 expenditures. In addition, the district receives state funding to cover most of its transportation costs.

|                     | <b>2018-19</b> | <b>2019-20</b> | <b>2020-21</b> |
|---------------------|----------------|----------------|----------------|
| <b>General Fund</b> | \$ 29,737,924  | \$ 33,144,496  | \$ 36,559,854  |
| <b>Capital</b>      | \$ 468,522     | \$ 303,685     | \$ 335,000     |
| <b>ASB</b>          | \$ 319,829     | \$ 555,000     | \$ 612,165     |
| <b>Total</b>        | \$ 30,526,275  | \$ 34,003,181  | \$ 37,507,019  |

Expenditure:  One-time  Annual  Multi-Year  N/A

Revenue:      One-time    Annual    Multi-Year    N/A

6.     **COMMUNITY ENGAGEMENT**

With guidance from the district’s Community Engagement tool, this action was determined to merit the following tier of community engagement:

Not applicable

Tier 1: Inform

Tier 2: Consult/Involve

Tier 3: Collaborate

7.     **EQUITY ANALYSIS**

School bus transportation supports student equity and the district goal of closing the opportunity gap by providing transportation to school for students residing outside their attendance area walk zone. If such transportation were not available, disparities in equitable transportation may exist, negatively affecting students from lower income households without vehicles or the financial resources to support their student’s transportation to and from school, programs and athletics. School buses support transportation special needs students requiring curb-to-curb transportation as required by their Individualized Education Plan (IEP), and McKinney Vento (MKV) homeless students. School bus transportation affords many students from lower income families the opportunity to participate in Nutrition Services before school breakfast program.

8.     **STUDENT BENEFIT**

The benefit of this contract is to provide improved transportation to and from school for students residing outside the walk zone of their attendance area schools.

9.     **WHY BOARD ACTION IS NECESSARY**

Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)

Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)

Adopting, amending, or repealing a Board policy

Formally accepting the completion of a public works project and closing out the contract

Legal requirement for the School Board to take action on this matter

Board Policy No. \_\_\_\_\_, [TITLE], provides the Board shall approve this item

Other:

10. **POLICY IMPLICATION**

This action will support the district's ability to offer transportation services as specified in Board Policy No. 6600, Transportation. Per Board Policy No. 6220, Procurement, any contract more than \$250,000 must be brought before the School Board for approval.

11. **BOARD COMMITTEE RECOMMENDATION**

The BAR was approved for School Board consideration by the Board President and Superintendent. Certain aspects of this BAR were discussed in an Executive Session on Sept. 25, 2019.

12. **TIMELINE FOR IMPLEMENTATION**

Upon approval of this motion, the Agreement will be executed.

13. **ATTACHMENTS**

- Settlement Agreement along with three exhibits to the Agreement (for approval)  
**Exhibit 1:** new payment provisions for the remainder of the contract new  
**Exhibit 2:** Key Performance Indicators to govern the new incentive pay system  
**Exhibit 3:** redline version of the proposed contract modifications

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (“Agreement”) is by and between Seattle School District No. 1, a Washington Quasi-Municipal Corporation (“District”) and First Student, Inc, an indirect, wholly-owned subsidiary of FirstGroup America, Inc. (“Contractor” or “First Student”). The District and First Student are collectively referred to herein as “the Parties.”

### **RECITALS**

WHEREAS, pursuant to RFP09614, on or about April 24, 2017, the Parties entered into a Service Contract for Student Transportation Services (the “Contract”). The term of the Contract is from August 1, 2017 to August 31, 2020, with the option of two additional one-year renewals;

WHEREAS, the Contract contains an Exhibit A (Scope of Work), which provides for Liquidated Damages in Section H.7; and

WHEREAS, on or about August 1, 2017, First Student commenced student transportation services pursuant to the Contract; and

WHEREAS, the International Brotherhood of Teamsters Local 174 represents the First Student school bus drivers servicing the Contract; and

WHEREAS, on November 29, 2017, and February 1, 2, 5, 6, 7, 8 and 9, 2018, the school bus drivers went on strike (herein collectively referred to as the “eight strike days” or “eight-day strike”). During the eight-day strike, First Student was unable to cover all routes during the strike days, although First Student covered some routes; and

WHEREAS, on or about February 10, 2018, First Student and Teamsters Local 174 settled the strike and entered into a new collective bargaining agreement and the school bus drivers returned to their jobs on February 13, 2018; and

WHEREAS, First Student contends that it has resulting legal, contractual and equitable claims against the District to recoup all such costs; and

WHEREAS, the District contends that it is within its contractual and legal rights to assess the claimed liquidated damages against First Student and also contests First Student’s legal and contractual claims related to First Student’s claimed costs and losses; and

WHEREAS, the District and First Student have asserted claimed damages against each other related to the eight-day strike, plus other liquidated and other damages from the date the Contract was signed (collectively the “Disputes”); and

WHEREAS, the Parties wish to bring closure to the Disputes in order to avoid the time, cost, and uncertainty of litigation and hereby enter into this Settlement Agreement; and

WHEREAS, the Parties also wish to address and resolve outstanding operational and contractual issues in connection with the services provided under the Contract and have included in this Agreement a mutual resolution of those outstanding issues, which include: (1) Contract rate adjustments; (2) agreement on damages up to the date this Agreement is signed; (3) substituting liquidated damages for incentive based compensation under the Contract; (4) amendment of other Contract terms; and (5) an agreement on the types of services subcontracted to third party(ies) and related to extra transportation costs.

## AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration the sufficiency and value of which is acknowledged, the Parties agree to enter into this Agreement, as set forth below.

- A. The District agrees not to pursue any claim, charge, or action against First Student based on the eight-day strike. In addition, the District agrees not to pursue any claim, charge, or action against First Student based on missed routes, contract costs increases, use of other vendors, or any other claim for damages from the date the Contract was signed through the date this Agreement is signed, including all claims for alleged liquidated damages. In exchange, First Student will pay the District \$400,000 for all past alleged damages from the Contract, including possible liquidated damages claimed by the District from the date the Contract was signed through the date this Agreement is signed. The Parties agree that the District may deduct the \$400,000 damage payment from the October 1, 2019 First Student invoice.
- B. The Parties agree that First Student will also pay the District an additional \$162,540 as damages for increased costs for the District acquiring alternative bus services provided by Durham. The Parties agree that the District may deduct the \$162,540 damage payment from the October 1, 2019 First Student invoice.
- C. First Student agrees not to pursue any claim, charge, or action against the District based on the eight-day strike, missed routes, cost increases to drivers, or any other claim for damages of any nature arising prior to the date this Agreement is signed. In exchange, the District agrees to amend Attachment 1, Scope of Work of the Contract, as set forth in Exhibit 3 and extend the Contract term through August 31, 2021 with its new payment provisions contained in Exhibit 1, which includes additions or subtractions to the monthly base billing based on the Key Performance Indicators (“KPI”) contained in Exhibit 2.
- D. In consideration for the resolution set forth in this Agreement, for the remainder of the term of the Contract First Student will make its FirstView™ application available for use by the District at no charge to the District. FirstView™ shall be functional and reliable. The Parties will enter any necessary agreements to allow the District use of FirstView™. The District will work with First Student to determine the appropriate timing for the implementation of the FirstView™ application including a phased in approach, unless otherwise agreed to between the District and First



Student. First Student will provide all documentation and training to District staff necessary for effective implementation and use of FirstView™. First Student will also make available to the District First Student's menu of troubleshooting services, to include customer service teams to answer District/parent calls, a data integrity team, and on-site support as reasonably needed. To ensure that more District families can access FirstView™, the District will translate the application into the District's top eight languages. First Student will reimburse the District for the cost of the translation, such reimbursement capped in totality at \$25,000.–These translations will be available to First Student for use in other jurisdictions. At its own expense, the District will make the application ADA compliant, if required, to accommodate visually and/or hearing-impaired users.

- E. First Student agrees to take measures to seek to increase new bus driver recruitment. First Student agrees to have a full-time Seattle field recruiter dedicated to hiring drivers for District routes beginning with the first day after the Agreement is signed by both Parties until the Contract ends. First Student will also conduct additional community outreach events using enhanced recruiting packages (e.g., Big Bus, No Big Deal recruiting outreach program). First Student will work with the District to include District recruiting for bus monitors and crossing guards at these events whenever possible.
- F. First Student will provide the District with a monthly performance scorecard that will include a report on the percentage of filled driver positions, percentage of on time service, safety performance, and weekly student counts, and such other metrics as may be reasonably requested by the District and may include other metrics as agreed to by the District and First Student.
- G. The Parties agree that the Contract option years September 1, 2020 to August 31, 2021, shall be exercised, with option year September 1, 2021 to August 31, 2022, to be exercised at the mutual agreement of the parties.
- H. The Parties agree that the rates for the remaining base term of the Contract (ending August 31, 2020) and the two option years (September 1, 2020 to August 31, 2022)<sup>1</sup> shall be as set forth in Exhibit 1 to this Agreement.
- I. The Parties agree that the Contract shall be amended as set forth in Exhibit 3 to this Agreement.
- J. The Parties agree that adjustments to the monthly billing will be based on the performance metrics set forth in the Performance Scorecard as set forth in Exhibit 2 to this Agreement.

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<sup>1</sup>With option year September 1, 2021 to August 31, 2022, to be exercised at the mutual agreement of the parties.

- K. The Parties agree that Exhibits 1, 2, and 3 are hereby incorporated by reference and made part of this Agreement and shall also be made part of the Contract. The Parties agree that if any terms and conditions contained in this Agreement conflict with or are inconsistent with any terms and conditions contained in Exhibits 1, 2 or 3, the terms and conditions of this Agreement shall control and govern.
- L. This Agreement modifies the Contract only to the extent specifically set forth in Exhibit 3. All other terms and conditions of the Contract shall remain in full force and effect. Any oral or written representations not included in this Agreement are not enforceable.
- M. The Parties agree to execute and deliver any further documents that may be reasonably required in order to implement the provisions of this Agreement.
- N. Neither the execution of this Agreement nor anything contained herein is intended to be, nor shall be deemed to be, an admission or indication of the merits or lack thereof of the Disputes, an admission of any liability to anyone, or an admission of the existence of facts on which liability could be based, and this Agreement shall not be offered or received into evidence in any proceeding, except as necessary to enforce its terms.
- O. The Parties each acknowledge and agree that each Party is responsible for its own attorneys' fees in connection with the Disputes, and the negotiation and execution of this Agreement, and no Party shall be required to pay any such costs incurred by another party.
- P. This Agreement may be executed in counterparts and such counterparts: (a) may be transmitted electronically; and (b) shall have the same force and effect as though they were signed original documents.
- Q. This Agreement may not be amended, modified, or revised except in a writing signed by the parties.
- R. All of the terms and conditions of the Contract, not otherwise modified by, or made inconsistent with, the provisions of this Agreement shall remain in full force and effect.
- S. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue for any litigation under this agreement shall be in King County, Washington.
- T. Each person signing this Agreement represents and warrants that he or she is authorized and empowered to sign on the behalf of and bind the Parties on whose behalf this document has been executed.

U. The Parties agree that they have reviewed this Agreement and have been provided with a sufficient opportunity to revise it. The Parties also each agree that they have had an opportunity to discuss this Agreement with their counsel and fully understand and appreciate the meaning and significance of the words and terms employed herein. Accordingly, the normal rule of construction, to the effect that any ambiguities are to be resolved against the drafting party, shall not be applied in the interpretation of this Agreement or any amendment or modification thereto.

**IN WITNESS WHEREOF**, duly authorized representatives of the Parties have executed this Agreement on the dates listed below and have delivered counterparts thereof by electronic transmission or otherwise.

**FIRST STUDENT, INC.**

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

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

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

**SEATTLE SCHOOL DISTRICT NO. 1**

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

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

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



# First Student Settlement Agreement Exhibits

## Exhibits 1, 2 and 3

Seattle Public Schools is committed to making its online information accessible and usable to all people, regardless of ability or technology. Meeting web accessibility guidelines and standards is an ongoing process that we are consistently working to improve.

While Seattle Public Schools endeavors to only post documents optimized for accessibility, due to the nature and complexity of some documents, an accessible version of the document may not be available. In these limited circumstances, the District will provide equally effective alternate access.

For questions and more information about this document, please contact the following:

Mary Cauffman  
Executive Administrative Assistant for Operations  
[macauffman@seattleschools.org](mailto:macauffman@seattleschools.org)

Exhibit 1 of the Settlement Agreement covers new payment provisions for the remainder of the contract. Exhibit 2 covers Key Performance Indicators to govern the new incentive pay system being established. Exhibit 3 provides a redline version of the proposed contract modifications.



## Seattle Public School District

We at First Student value our long-term partnership with the Seattle School District and we look forward to strengthening this relationship in the coming years. Achieving the highest standards throughout a student transportation system is accomplished by working collaboratively to continuously assess, evaluate, plan and develop solutions for your needs in partnership with you.

As part of the path forward, we have provided a proposal that details our yearly increases for the upcoming school year and locks in the first of the 2 optional years remaining on the current contract. The proposal takes into consideration the recent wage increases, the benefits from last year’s CBA and the expanded family coverage increases, and are contingent on the following;

- The operational liquidated damages will be settled for \$400,000.
- The current contract will be amended to strike out/add the contract language changes that Seattle Public Schools and First Student have proposed.
- We would agree to allow a secondary vendor to cover 17 of the routes under the following conditions.
  - i) The District will be responsible for all costs associated with the secondary vendor for the first 17 routes without any reimbursement from First Student.
  - ii) First Student would remove the 17 buses that were used to operate those routes from Seattle. If the secondary vendor cannot cover the routes, First Student would not be required to cover those routes as we may not have the equipment available.

## Seattle School District / First Student – Settlement/Adjustment Items

### Seattle School District

#### Settlement/Adjustment Items:

(Apply to both Scenarios below.)

|  | <u>Upon Signing</u> |
|--|---------------------|
| Liquidated damages final settlement                              | \$ (400,000)        |
| FS reimbursement for Durham Routes through March at \$129/rt/day | \$ (162,540)        |
| Upfront Settlement/Adjustments subtotal                          | <u>\$ (562,540)</u> |

**Seattle School District**

**Proposed Price Summary:**

(Additional Changes to Wage Scale for Drivers. This is recommended based on a wage survey to address the severe driver shortage.) We raised the starting wage by \$4 last year and we will raise the wages by an additional \$2 immediately and raise the starting wage again by \$1 in August 2020.

|  | <u>2019-20</u>       | <u>2020-21</u>       |
|--|----------------------|----------------------|
| Changes to CBA Wage Scale  | \$ 6.00              | \$ 1.00              |
| Added Costs for Scale Adjustments, Training and Recruiting new drivers | \$ 3,389,035         | \$ 628,582           |
| Annual Step/Seniority Wage Increases                                   | \$ 295,715           | \$ 370,827           |
| Added Pension Benefit Costs  | \$ 257,307           | \$ 269,807           |
| Added Medical Benefit Costs  | \$ 426,229           | \$ 1,684,072         |
| Total Wage/Benefit/Hiring Cost Increases for Drivers                   | <u>\$ 4,368,287</u>  | <u>\$ 2,953,288</u>  |
| Other Increases (CPI-Based)  | \$ 547,810           | \$ 550,549           |
| Expected \$ Increases  | <u>\$ 4,916,097</u>  | <u>\$ 3,503,838</u>  |
| Annual Percentage Increases  | <u>16.9%</u>         | <u>10.3%</u>         |
| Estimated Annual Contract Value  | <u>\$ 34,003,181</u> | <u>\$ 37,507,019</u> |

**(1) Starting driver wage history since labor stoppage in 2018:**

|   |                 |
|---|-----------------|
| Starting wage after strike settlement in early 2018                   | \$ 18.00        |
| Starting wage implemented in Sep. of 2018 because of driver shortages | \$ 22.00        |
| Starting wage proposed for 2019-20                                    | <u>\$ 24.00</u> |
| Cumulative change in starting driver wage                             | <u>\$ 6.00</u>  |

**Seattle School District**  
September 1, 2019 - August 31, 2020

Proposers may elect to propose on all or part of the available service. Once the desired type of coaches and level of service are identified, the proposed four hour daily basic rate and excess hourly rate should be entered into the format provided below. Proposers must provide the four hour daily basic rate and excess hourly rate for all increments up to and including the desired maximum level of service. If the proposal does not contain rates at the lower increments, the District will assume that there is no desire from the proposers to provide services at the lower increments.

For example, if the proposed amount of class A (28 minimum passenger) service operated is 0-175 buses, the proposed daily basic rate and excess hourly rate should be included in each increment of service starting from 0-25 up to and including 151-175.

**Increase Percentage for 2019-20      16.9%**

The numbers of buses to be made available by type are:

- a. "To and From" School Transportation

| Number Required                         | Per Unit Basic Daily Rate | Excess Hourly Rate |
|---|---------------------------|--------------------|
| <b>i. Type A (28 Minimum Passenger)</b> |                           |                    |
| 1 1 - 25                                | \$624.47                  | \$43.57            |
| 2 26 - 50                               | \$567.69                  | \$43.57            |
| 3 51 - 75                               | \$516.09                  | \$43.57            |
| 4 76 - 100                              | \$469.17                  | \$43.57            |
| 5 101 - 125                             | \$424.18                  | \$43.57            |
| 6 126 - 150                             | \$395.27                  | \$43.57            |
| 7 151 - 175                             | \$369.70                  | \$43.57            |
| 8 Over 175                              | \$369.70                  | \$43.57            |
| <b>ii. Type C</b>                       |                           |                    |
| 1 1 - 25                                | \$629.95                  | \$43.57            |
| 2 26 - 50                               | \$572.67                  | \$43.57            |
| 3 51 - 75                               | \$520.61                  | \$43.57            |
| 4 76 - 100                              | \$473.28                  | \$43.57            |
| 5 101 - 125                             | \$436.32                  | \$43.57            |
| 6 126 - 160                             | \$417.15                  | \$43.57            |
| 7 161 - 175                             | \$390.13                  | \$43.57            |
| 8 176 - 200                             | \$390.13                  | \$43.57            |
| 9 201 - 225                             | \$380.61                  | \$43.57            |
| 10 Over 225                             | \$380.61                  | \$43.57            |



| Number Required  | Per Unit Basic Daily Rate | Excess Hourly Rate |
|--|---------------------------|--------------------|
| <b>iii. Type C (Lifts) capacity: 18 walk-ons/2 chairs (Must be equipped with a “soft-ride” or an air ride suspension system)</b> |                           |                    |
| 1 1 - 25   | \$417.15                  | \$43.57            |
| 2 26 - 50  | \$390.13                  | \$43.57            |
| 3 51 - 60  | \$390.13                  | \$43.57            |

b. Field/Special Trips - Category I

- i. Category I trips are defined as trips that are assigned during calendar school days between the hours of 6:00 a.m. to 6:00 p.m.
- ii. Trips may be assigned by the District or in connection with “To-and-From” school transportation routes.
- iii. The Excess Hourly Rate will begin when the Basic Daily Rate is exceeded.
- iv. A two (2) hour minimum applies to the hourly rate if the trip is not connected to a “To-and-From” school trip. (Any third trip of the day)

Mileage Rates

When a trip involves excessive miles, the Contractor may bill at a cost per mile rate instead of cost per hour.

|                |        |          |
|----------------|--------|----------|
| Type A         | \$3.16 | per mile |
| Type C         | \$3.16 | per mile |
| Type C (Lifts) | \$3.16 | per mile |

c. Field/Special Trips - Category II

- i. Category II trips are defined as trips that are assigned during non-calendar school days and/or between the hours of 6:00 p.m. to 6:00 a.m. on calendar school days

- ii. Trips will be assigned by the Contractor to buses so as not to interfere with "To-and-From" school operations.
- iii. A four (4) hour minimum, (based on Category II hourly rate) which may be divided between two trips in and out of lots, will apply to all Category II Field/Special Trips.
- iv. Transportation Request, Confirmation, and Invoice Form will be utilized for field trips.

Hourly Rate

When a trip involves excessive miles, the Contractor may bill at a cost per mile rate or a cost per hour rate.

|                  |                                 |          |
|------------------|---------------------------------|----------|
| Type A           | <u>\$44.85</u>                  | per hour |
| Type C           | <u>\$47.91</u>                  | per hour |
| Type C (Lifts)   | <u>\$47.91</u>                  | per hour |
| Layover Per Diem | <u>\$50 + Actual Hotel Cost</u> |          |

Mileage Rates

When a trip involves excessive miles, the Contractor may bill at a cost per mile rate instead of cost per hour.

|                |               |          |
|----------------|---------------|----------|
| Type A         | <u>\$3.16</u> | per mile |
| Type C         | <u>\$3.16</u> | per mile |
| Type C (Lifts) | <u>\$3.16</u> | per mile |

d. Hourly rates for Bus Assistants

|                          |                |          |
|--------------------------|----------------|----------|
| Charge for Bus Assistant | <u>\$38.53</u> | per hour |
|--------------------------|----------------|----------|

**Seattle School District**  
September 1, 2020 - August 31, 2021

Proposers may elect to propose on all or part of the available service. Once the desired type of coaches and level of service are identified, the proposed four hour daily basic rate and excess hourly rate should be entered into the format provided below. Proposers must provide the four hour daily basic rate and excess hourly rate for all increments up to and including the desired maximum level of service. If the proposal does not contain rates at the lower increments, the District will assume that there is no desire from the proposers to provide services at the lower increments.

For example, if the proposed amount of class A (28 minimum passenger) service operated is 0-175 buses, the proposed daily basic rate and excess hourly rate should be included in each increment of service starting from 0-25 up to and including 151-175.

**Increase Percentage for 2020-21      10.3%**

The numbers of buses to be made available by type are:

- a. "To and From" School Transportation

| Number Required                         | Per Unit Basic Daily Rate | Excess Hourly Rate |
|---|---------------------------|--------------------|
| <b>i. Type A (28 Minimum Passenger)</b> |                           |                    |
| 1 1 - 25                                | \$688.79                  | \$48.06            |
| 2 26 - 50                               | \$626.16                  | \$48.06            |
| 3 51 - 75                               | \$569.25                  | \$48.06            |
| 4 76 - 100                              | \$517.49                  | \$48.06            |
| 5 101 - 125                             | \$467.87                  | \$48.06            |
| 6 126 - 150                             | \$435.98                  | \$48.06            |
| 7 151 - 175                             | \$407.78                  | \$48.06            |
| 8 Over 175                              | \$407.78                  | \$48.06            |
| <b>ii. Type C</b>                       |                           |                    |
| 1 1 - 25                                | \$694.83                  | \$48.06            |
| 2 26 - 50                               | \$631.66                  | \$48.06            |
| 3 51 - 75                               | \$574.23                  | \$48.06            |
| 4 76 - 100                              | \$522.03                  | \$48.06            |
| 5 101 - 125                             | \$481.26                  | \$48.06            |
| 6 126 - 160                             | \$460.12                  | \$48.06            |
| 7 161 - 175                             | \$430.31                  | \$48.06            |
| 8 176 - 200                             | \$430.31                  | \$48.06            |
| 9 201 - 225                             | \$419.81                  | \$48.06            |
| 10 Over 225                             | \$419.81                  | \$48.06            |

| Number Required  | Per Unit Basic Daily Rate | Excess Hourly Rate |
|--|---------------------------|--------------------|
| <b>iii. Type C (Lifts) capacity: 18 walk-ons/2 chairs (Must be equipped with a “soft-ride” or an air ride suspension system)</b> |                           |                    |
| 1 1 - 25   | \$460.12                  | \$48.06            |
| 2 26 - 50  | \$430.31                  | \$48.06            |
| 3 51 - 60  | \$430.31                  | \$48.06            |

b. Field/Special Trips - Category I

- i. Category I trips are defined as trips that are assigned during calendar school days between the hours of 6:00 a.m. to 6:00 p.m.
- ii. Trips may be assigned by the District or in connection with “To-and-From” school transportation routes.
- iii. The Excess Hourly Rate will begin when the Basic Daily Rate is exceeded.
- iv. A two (2) hour minimum applies to the hourly rate if the trip is not connected to a “To-and-From” school trip. (Any third trip of the day)

Mileage Rates

When a trip involves excessive miles, the Contractor may bill at a cost per mile rate instead of cost per hour.

|                |        |          |
|----------------|--------|----------|
| Type A         | \$3.49 | per mile |
| Type C         | \$3.49 | per mile |
| Type C (Lifts) | \$3.49 | per mile |

c. Field/Special Trips - Category II

- i. Category II trips are defined as trips that are assigned during non-calendar school days and/or between the hours of 6:00 p.m. to 6:00 a.m. on calendar school days

- ii. Trips will be assigned by the Contractor to buses so as not to interfere with "To-and-From" school operations.
- iii. A four (4) hour minimum, (based on Category II hourly rate) which may be divided between two trips in and out of lots, will apply to all Category II Field/Special Trips.
- iv. Transportation Request, Confirmation, and Invoice Form will be utilized for field trips.

Hourly Rate

When a trip involves excessive miles, the Contractor may bill at a cost per mile rate or a cost per hour rate.

|                  |                                 |          |
|------------------|---------------------------------|----------|
| Type A           | <u>\$49.47</u>                  | per hour |
| Type C           | <u>\$52.84</u>                  | per hour |
| Type C (Lifts)   | <u>\$52.84</u>                  | per hour |
| Layover Per Diem | <u>\$50 + Actual Hotel Cost</u> |          |

Mileage Rates

When a trip involves excessive miles, the Contractor may bill at a cost per mile rate instead of cost per hour.

|                |               |          |
|----------------|---------------|----------|
| Type A         | <u>\$3.49</u> | per mile |
| Type C         | <u>\$3.49</u> | per mile |
| Type C (Lifts) | <u>\$3.49</u> | per mile |

d. Hourly rates for Bus Assistants

|                          |                |          |
|--------------------------|----------------|----------|
| Charge for Bus Assistant | <u>\$42.50</u> | per hour |
|--------------------------|----------------|----------|

## **CONCLUSION**

We are pleased to provide the District with these alternative proposals. We hope that you agree that First Student has made significant strides to improve the service experience for the families and schools in the Seattle School District. We look forward to continuing to build and strengthen our partnership.

### **First Student's Key Performance Indicators (KPIs)**

Seattle School District No. 1 ("District") and First Student ("Contractor") agree that Key Performance Indicators ("KPIs") shall be used to either increase, maintain at the contract rate, or decrease the base monthly payment made by the District to Contractor under the service contract entered into pursuant to Request for Proposal No. 09614, on or about April 24, 2017.

Points will be provided for each KPI. The KPIs are: (1) On-Time Bus Arrival; (2) Safety Performance; and (3) Student Counts. Based on the total point score for all three KPIs, the base monthly payment will be increased, decreased, or maintained at the contract rate depending upon the total score.

#### **Monthly Reporting Procedures**

Contractor will submit a performance scorecard to the District for review and approval within seven (7) business days following the end of each month. The performance scorecard must include the following three criteria: (1) On-Time Bus Arrival; (2) Safety Performance; and (3) Student Counts.

#### **1. On-Time Bus Arrival**

The Parties agree that on-time bus arrival to District schools is critical to the education of students. The Parties agree that with general City of Seattle traffic and congestion, that a target of 97% on time arrival for each bus run is reasonable.

| <b>On-time arrival %</b> | <b>Points</b> |
|--------------------------|---------------|
| <b>99% to 100%</b>       | <b>+1.0</b>   |
| <b>97% to &lt; 99%</b>   | <b>0</b>      |
| <b>95% to &lt; 97%</b>   | <b>-1.0</b>   |
| <b>&lt;95%</b>           | <b>-1.5</b>   |

#### **Methodology and definitions:**

1. "On-time" is defined as the bus arriving at the school at the District established arrival time. Each school may have a different arrival time. Arrival time shall be before the start of school bell-time. On-time arrival is measured daily.
2. This metric will be calculated by buses captured in Zonar as arriving at the school and parked for unloading. All buses will be maintained in Zonar.
3. Buses that arrive within 10 minutes of the "On-time" arrival time will be calculated as an on-time arrival. For example, the arrival time set by the District at School A is 8:00 am; the start of school bell-time is 8:20 am. If the bus arrives at 8:02 am, this will be considered as an on-time arrival for this criterion. If the bus arrives at 8:11 am, the bus will be considered not on time for purposes of this criterion.
4. The Parties may exclude specific routes from the calculation on such day(s) that the Parties mutually agree that inclement weather or other events outside Contractor's

control caused the delays. Contractor must make a request to the District to exclude the route within 24 hours of the event that caused the delay. Minor vehicle accidents or general congestion cannot be used to request that a route be excluded.

**2. Safety Performance**

The Parties agree that the safety of District students on buses is a very important criterion. The Parties agree to a KPI based on keeping the total number of preventable accidents with students on board buses as low as possible. The Parties agree that the following points will be awarded based on bus accidents where District students are on board a bus and a legal citation is issued for violation of a city, county, state, or federal ordinance/law/rule/regulation.

| <b>Accidents with students on board a bus and the driver issued a citation</b> | <b>Points</b> |
|--|---------------|
| <b>8 and above</b>   | <b>-1.0</b>   |
| <b>6 to 7 events</b>   | <b>-0.5</b>   |
| <b>4 to 5 events</b>   | <b>0</b>      |
| <b>2 to 3 events</b>   | <b>+0.5</b>   |
| <b>1 and below</b>   | <b>+1.0</b>   |

Methodology and definitions:

First Student will submit a weekly report of accidents/citations to the District, which will include all situations where students are on a bus and a citation is issued. In months with partial school weeks (December, February, April, and June) the Safety Performance standards will be prorated to match the reduced number of routes. For example, if a month has only 2 weeks of transportation, the 6 to 7 metric would be 3 to 4.

**3. Keeping Track of Student Riders - Student Count**

The Parties agree that keeping track of the accurate numbers of students who ride the bus to and from school is an important service and billing requirement. Accurate counts are used to seek payment from the State, and it could facilitate the use of a different or smaller bus or changed routes to save money. Contractor shall count, once a week for each bus route, the number of students who ride the bus on each route in the am, pm, and/or mid-day route and provide the number of students on each bus route to the District.

| <b>% of bus routes with a completed weekly count</b> | <b>Points</b> |
|--|---------------|
| <b>99 to 100</b>                                     | <b>+1.0</b>   |
| <b>97% &lt; 99%</b>                                  | <b>0</b>      |
| <b>95% &lt; 97%</b>                                  | <b>-1.0</b>   |
| <b>&lt;95%</b>                                       | <b>-1.5</b>   |



Methodology and definitions:

1. First Student will conduct weekly student counts and submit a monthly report to the District.
2. Routes will be adjusted by the District based on the information.
3. First student will review significant changes to ridership to ensure service level and that expectations are being met.

**Final Payment Criteria applied to base monthly billing service invoice.**

The Parties agree that based on the 3 KPIs, a total point score will be tabulated for the prior month and that the base billing amount will either be increased, maintained at the contract rate, or decreased based on the point score in this document. The failure of the Contractor to submit a report or individual KPI to the District shall result in the lowest possible score being awarded for that KPI.

| <u>Total Points</u>         | <u>Base Billing Increase, Maintain, or Decrease</u> |
|-----------------------------|---|
| <b>2.0 to 3.0 points</b>    | <b>+0.5%</b>  |
| <b>0 to &lt; 2.0 points</b> | <b>0%</b>   |
| <b>&lt; 0 points</b>        | <b>-0.5%</b>  |

Example One: First Student has a 99% arrival time under KPI #1 (+1.0 point); 6 accidents with citations (-0.5 point); and 99% of completed student bus rider counts completed per week (+1.0 point). This would be a total of +1.5 points. The base billing rate would be maintained at the contract rate.

Example Two: First Student has a 99% arrival time under KPI #1 (+1.0 point); 4 accidents with citations (0 points); and 99% of completed student bus rider counts completed per week (+1.0 point). This would be a total of 2.0 points. A base billing amount of \$2.0 million would be increased by 0.5% , adding \$10,000.

**IN WITNESS WHEREOF**, duly authorized representatives of the Parties agree to these KPIs and applicable financial terms.

**FIRST STUDENT, INC.**

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

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

**SEATTLE SCHOOL DISTRICT NO. 1**

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

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

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

The primary purpose of this contract is the provision of transportation for students to and from school. Buses will also be utilized for field trips and other school-related activities.

The buses will be operated to service the program requirements that the District determines to be in its best interest. There are two types of program definitions used to identify service requirements.

1. Regular To and From

- a. Students are primarily picked up and dropped off at corners. Drivers are provided either route maps or left/right driving directions and stop listings indicating directions of travel, time of pick up and/or drop off, and a listing of assigned students for each stop. Drivers may also be provided electronic route directions for use with Tyler semi-rugged tablets.
- b. Type C buses are typically utilized in this program. Buses assigned two routes per day average approximately five hours of service and accrue an average of approximately 60 miles per day. Buses assigned three routes per day average approximately six hours of service and accrue an average of approximately 80 miles per day.
- c. The Contractor shall implement and enforce District administrative procedures applicable to this Program. The District will specify these procedures prior to the start of the school year and will modify as required throughout the ~~contact~~contract period.
- d. The District may operate certain programs beyond the normal 178-180-day school year or may operate some or all programs less than 178-180 days. The Contractor shall provide such service as required.

2. Special Services

- a. Students are generally picked up and dropped off at specific addresses. Drivers are provided stop listings, which indicate student's name, pick up or drop off address, and appropriate time.
- b. Special education and preschool students are generally accommodated in this service. The transportation of these students is unique and requires personnel sensitive to such students' needs. Not all drivers are suitable for this type of assignment; therefore, reassignment of drivers may be necessary to alleviate adverse situations that may occur.
- c. The Contractor shall implement and enforce District administrative procedures applicable to the Special Services programs. The District will specify these procedures prior to the start of the school year and will modify as required throughout the contract period.

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

- d. The District may operate certain programs beyond the normal ~~178~~180-day school year or may operate some or all programs (including Regular To and From) less than ~~178~~180 days. The Contractor shall provide such service as required.
- e. The Contractor shall use buses with NTSB and Washington State approved seat belts for Special Service programs. Drivers will require students to use seat belts.

A. Primary Obligation of Contractor

For the purpose of this contract and interpretation thereof, it must be recognized that the transportation of school children is a significantly specialized function. Students must be transported to and from school regularly, promptly, safely, and without interruption or adverse incidents. The interests of students in such transportation shall take precedence over the interests of the Contractor or its drivers. It shall be the primary obligation of the Contractor to conduct its activities so that students will be assured of continuous and reliable service. For the protection of students, drivers and all other persons coming in contact with the students must be of stable personality and of sound moral character. Drivers and all other persons coming in contact with students must be able to communicate effectively orally and in writing. The District places upon the Contractor full responsibility for assuring such qualities in personnel. The Contractor shall not allow any person to drive a school bus whose moral character is not of the highest level, or whose conduct might in any way expose any child to any impropriety of word or conduct whatsoever, nor shall the Contractor allow any person to drive a school bus who is not in a condition of mental and emotional stability.

B. Mandatory Requirements

Proposers (Prime Contractors) who have not successfully operated a student transportation program three (3) of the past five (5) years involving a minimum of 20 buses each year will not be considered.

C. Responsibility for Hiring and Discharging

The responsibility for hiring and discharging personnel in respect to all of the foregoing shall rest with the Contractor. The Contractor shall enter into no contract or arrangement with any employee, person, group, or organization, ~~which that~~ will in any way interfere with the Contractor's ability to comply with this requirement.

D. Time is of the Essence

Time is of the essence in the performance of the Contractor's obligations hereunder. Failure to meet the deadlines specified herein may be treated by the District as a material breach of contract. Where deadlines for performance of Contractor's obligations are specified with reference to the ~~2017~~2019-2020 year, the same deadlines will apply in each succeeding year unless otherwise noted.

E. Equipment and Facilities

1. Bus Specifications. -The Contractor shall provide written lists of presently owned buses or a letter from a manufacturer at the time the proposal is submitted (and by May 15 in each succeeding year), assuring that buses will be available for District use

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

at the bus facilities by August 1, ~~2017~~, of each year of the Contract. The total number of buses by size will be as specified on the proposal pages. Buses shall meet specifications for school buses as required by the Superintendent of Public Instruction for the State of Washington.

2. Condition and Maintenance. The Contractor shall at all times maintain all school buses and other equipment used to provide student transportation service in a safe and functional condition and in strict accordance with State and Federal specifications and District required standards for school buses. Such equipment shall be maintained in good mechanical and operating order at all times, so as to successfully pass required bus inspections. The buses shall be kept clean and free of body damage including minor dents and paint scrapes of a cosmetic nature, and all repairs are to be made within 15 days of occurrence. Bumpers and wheels will be cleaned as needed to retain a fresh, clean appearance.
3. Bus Inspections. All buses shall be inspected at least twice during the school year by the Washington State Patrol in accordance with prescribed State regulations. The Contractor shall correct all discrepancies within two (2) weeks and notify the District in writing of the same.
4. Bus Categories. Washington State School Bus and Specifications define four basic types of buses. Within these broad categories there exists a wide range of sizes and capacities. For the purpose of this contract, bus sizes and types will be divided into four classifications for use in this contract. They are:

**-STATE CLASSIFICATION                                  AVERAGE NUMBER OF BUSES**

| <b>State Classification</b>   | <b>Minimum #Buses</b>           |
|---|---------------------------------|
| Type A – with 19 minimum integrated 3–point restraint (Head Start compliant seats)  | 20                              |
| Type A – with 2/per seat lap shoulder belt systems  | 135 (20 & 24 minimum passenger) |
| Type C (lift) – 2 wheelchair stations and 18 walk–on seating 2/per seat lap systems/shoulder belts  | 40                              |
| Type C 71 passenger for every 50 type c Buses award 2 units must be equipped w/ 16 integrated booster type seats, placed in the first 4 rows- | 155                             |

Note: Minimum 15% of awarded fleet shall be fueled by Propane.

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

All buses used in performance of this contract shall be no older than the following:

| <u>State Classification</u> | <u>Regular Service<br/>Maximum Age</u> | <u>Spare Service<br/>Maximum Age</u> |
|-----------------------------|--|--------------------------------------|
| Type A                      | 8 years                                | 10 years                             |
| Type C                      | 12 years                               | 15 years                             |

5. Spare Buses. -A spare bus is defined as a vehicle available for replacement of a regular service bus for reasons of breakdown, maintenance, emergency, etc. The Contractor shall maintain a minimum of 10 ~~percent~~% spare bus inventory in each class size.
6. Standby Buses. ~~Contractors~~Contractor shall provide and assign to the District one (1) field standby bus and driver if more than 35 units are awarded and one additional bus and driver for each 35 units awarded. These buses and drivers are to respond to emergency services (breakdowns, accidents, lost drivers) and are over and above the 10 ~~percent~~% in-house standby/spare bus needs. The District will determine the type of bus to be used for standbys, hours of service, and standby locations. If service is required beyond the standard 4-hour day, the District will pay for the excess time; however, the first 4 hours is ~~contractor~~Contractor responsibility.
7. Floater Bus. The District may ~~choose~~choose to assign additional emergency service buses and drivers beyond the Standby requirement. If the District chooses to utilize floater buses, these units will be assigned a control number and work hours and will be 100% paid for by the District. However, if the ~~contractor~~Contractor uses the floater to cover another control numbers work due to a non-emergency need such as a shortage of drivers, in those instances, the District will be credited the base rate for each occurrence.
8. Bus Storage Facilities.- Contractor will be required to provide bus storage facilities as follows: The Contractor shall identify, in writing, the location of site (or sites) for bus yards at time of proposal submission. ~~The Contractor shall furnish by June 30, 2017 a copy of the actual site lease or proof of site purchase.~~ The storage facility(ies) shall be located no further than 5 miles outside the confines of the ~~District~~City of Seattle.
9. District Inspections. At any time during the contract period, the District reserves the right to inspect any and all buses, the facilities for maintaining the buses, and the operational procedures utilized by the Contractor.
10. License Requirements. The Contractor shall use county exempt license plates, and the proposal will be based on their cost, on all vehicles transporting students. In the event that vehicles are to be utilized in other types of service, the Contractor at its own cost, will purchase the necessary licenses and permits in compliance with State, county, and city laws and the county exempt plates shall be removed from the bus and forwarded

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

to the District's Transportation Office for retention. Upon termination of the contract, all tax-exempt license plates shall be returned to the District's Transportation Office.

11. Service Modifications. The District retains the option of modifying the scope of work in this contract to meet its requirements. Such modifications may result in increased or decreased equipment demands.
12. Fuel. Federal tax-exempt fuel shall be used for all District Transportation functions. The District will purchase said tax-exempt fuel for delivery to the Contractor's storage and dispensing facility or the District may choose to contract with a mobile fueling provider to directly fuel busses. Should the District choose to have fuel stored at the Contractor's storage and dispensing facility, the Contractor must have storage tanks of such capacity that all busses can be fully fueled in a single day. Propane fuel tank capacity shall be approved by the District based on distribution of the propane-powered bus fleet by June 30, 2017, of each year of the Contract. Said fuel will remain the property of the District, but the Contractor shall become solely responsible for its ordering, custody, safekeeping, and dispensing and also assume the risk of loss from any eventuality. The District, in conjunction with the Contractor, will inventory the fuel invoice against fuel storage tanks monthly and upon completion of the inventory, will prepare a monthly report delineating fuel utilized for District functions, and remaining fuel available for District use. The District may waive the requirement for on-site fuel, provided the Contractor shall be responsible for any difference in price. At no time will the Contractor utilize District fuel for non-District uses. At the conclusion of the contract, an ending inventory of fuel in the Contractor's tanks will be taken and a determination made as to the amount of District fuel remaining. Based on this inventory, the Contractor shall reimburse the District for the cost of this fuel and any taxes, if applicable. On the proposal, the proposer shall compute Basic Daily Rates and Hourly Charges predicated on the District purchasing fuel for this contract. The proposer shall, at the District option, at any point in time, upon demand, permit the District to inspect all books and records regarding the invoiced fuel purchases and disbursement.
13. Bus Radios. The Contractor shall provide two-way narrow band frequency radios for all buses. The District shall monitor radio procedures and retain supervisory control of radio procedures. Contractor communications dispatchers will be located in the District's Operations Control Center. For this purpose, the Contractor shall provide one additional dispatcher if their awarded fleet exceeds 150 total buses. Contractors with fewer than 50 buses may enter into agreement with other Contractors to handle their in-house dispatch requirement. The District shall provide adequate space and technology support, including District email, telephone, computer and printer access, and two-way radio communications access to perform this duty.
14. GPS. The District requires all buses to be equipped with a GPS tracking system with the capability to compare actual ran route to planned.
15. GPS Routing Tablet. The District has high interest in buses being be equipped with a dashboard mounted GPS routing tablet that is compatible with the District's Versatrans routing software. (See (see the Tyler Technologies "Tyler Drive" system;

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

or a District approved similar compatible device). The District would like the initial cost of purchase and installation identified on Attachment 3, Pricing.

16. Route Signs. Route numbers are furnished by the District ~~and~~ shall be prominently displayed on the exterior of all buses as specified by the District. Route number signs, safety rules, and all other appropriate safety signs will be provided by the Contractor for installation on all buses.
17. On Board Video. The Contractor shall provide District approved digital video recording systems in 100% of their allocated fleet including buses used as spares. The system must be a digital format minimum three-camera system with a minimum 250 GB removable media cartridge hard drive. The Contractor will ensure the video system is calibrated and maintained to be in proper working order at all times. The ~~contractor~~ Contractor will provide the District the video harddrive within 48 hours of a routine request and within 24 hours of an emergency/serious incident request. The Contractor will maintain a surplus of video harddrives to install ~~when ever~~ whenever the District makes a request to view an existing video harddrive.
18. Stop Paddle Violation Systems. The District reserves the right to request the ~~contractor~~ Contractor to allow the installation and operation of ~~automate~~ automatic school bus safety cameras on school buses for the detection of violations of RCW 46.61.370(1-). There shall be no direct cost to the ~~contractor~~ Contractor, other than providing access for both ~~for~~ installation and maintenance of ~~the by~~ the stop paddle violation camera vendor.

F. Personnel and Driver Requirements.

1. Facilities Manager. -The Contractor shall at all times have assigned to its facilities a designated manager who shall have the authority to act on behalf of the Contractor. An organizational chart, identifying the duties and responsibilities of sufficient numbers of personnel employed to effectively implement and operate the Transportation program shall be ~~submitted at the time of the proposal~~ maintained at all times.
2. Implementation. The Contractor shall have drivers and all other personnel hired and trained to implement transportation by August 1, ~~2017~~ 2019.
3. Minimum Operational Personnel Requirements. Operational personnel are defined as those individuals directly involved in the control, supervision, and investigation of daily bus operations and procedures. The extent and regional coverage of the District's transportation needs requires certain personnel availability to assure the safety and success of these functions. A minimum of the following personnel shall be maintained for the indicated number of vehicles in daily operation. Job descriptions of each position must be included with the proposal.

|                  |      |              |                      |                   |                   |
|------------------|------|--------------|----------------------|-------------------|-------------------|
| # Vehicles<br>In | Less | 50 to<br>100 | 1 & 2 Lot<br>Options | Minimum 2<br>Lots | Minimum 2<br>Lots |
|------------------|------|--------------|----------------------|-------------------|-------------------|

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

| Operation/<br>Position  | Than<br>50 |   | 101 to 150 |       | 1 & 2 Lot<br>Options<br>151 to 200 |       | 201 to 300 | 301+ |
|-------------------------|------------|---|------------|-------|------------------------------------|-------|------------|------|
|                         |            |   | Lot 1      | Lot 2 | Lot 1                              | Lot 2 |            |      |
| Operations Supervisors  | 1          | 1 | 1          | 2     | 1                                  | 2     | 2          | 2    |
| Primary Dispatcher      | 1          | 1 | 1          | 2     | 1                                  | 2     | 2          | 4    |
| Secondary Dispatcher    | 1          | 1 | 1          | 2     | 2                                  | 2     | 2          | 2    |
| Field Supervisors       | 1          | 2 | 2          | 3     | 3                                  | 3     | 3          | 3    |
| Dispatch Clerks         | 0          | 1 | 2          | 2     | 2                                  | 2     | 2          | 2    |
| Communications Dispatch | 0          | 1 | 1          | 1     | 1                                  | 1     | 1          | 1    |

NOTE: These staffing standards are based on the total number of route buses awarded to Contractor. The number of staff required for any subcontractor depends on the type of operation they establish. If a subcontractor operates a separate yard and dispatch, then the minimum staffing will be applied.

a. For each 50-vehicle increment above 300 in daily operation, one additional Field/Safety Supervisor shall be provided.

b. Each ~~field/safety supervisor~~ Field/Safety Supervisor will use a radio and cell phone equipped type A school bus or minivan. These individuals will be assigned specific service areas in which to be deployed during the peak time operations. Their primary responsibility will be to respond to vehicles that are broken down, involved in an accident, or to assist a driver with student management problems.

4. Driver Certification.

a. The Contractor shall allow only trained and competent drivers who satisfy all the requirements for "School Bus Driver Certification" as required by the Superintendent of Public Instruction for the State of Washington, or by any other agency or provision of law, to operate its buses.

b. Lift Bus Certification: If a firm is awarded any lift bus routes, all drivers and cover/standby drivers assigned to drive a lift bus must complete an annual lift bus certification-training program. The intent of the training is to ensure each driver is trained and knowledgeable in the types of wheelchairs used by District students. The company must submit its training program to the District for approval by July 1<sup>st</sup> of each school year. The District will assist with procuring appropriate chairs for the training session.



Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

c. Additional first aid training: Many students now have “Medical Alert profiles.” Each driver’s notebook will contain a section to store this information and there will be a special statement next to the student name on the bus roster to advise the driver that a special alert exists for this student. Many of these students will be on special needs vehicles; however, some will be on regular school bus runs and field trips.

All drivers need to be trained to review their route tablets, notebooks, and rosters; and review the medical information. In addition, there will be requirements for individual drivers to attend special briefings on an individual student needs. Additionally, some drivers will be required to receive training in the use of Epinephrine Auto-Injectors. The training and certification of completion of the training will be provided by the District.

5. Driver Background. —Pursuant to RCW 28A.400.330, as a contractor for a school district, Contractor shall prohibit any employee of Contractor who has pled guilty to or been convicted of any felony crime involving the physical neglect of a child under Chapter 9A.42 RCW, the physical injury or death of a child under Chapter 9A.32 or 9A.36 RCW (except motor vehicle violations under Chapter 46.61 RCW), sexual exploitation of a child under Chapter 9.68A RCW, sexual offenses under Chapter 9A.44 RCW where a minor is the victim, promoting prostitution of a minor under Chapter 9A.88 RCW, the sale or purchase of a minor child under RCW 9A.64.030, or violation of similar laws of another jurisdiction from working in any situation where the employee will have unsupervised access to children. Failure to comply with this section shall be grounds for District to immediately terminate this Agreement.

Contractor agrees that all of Contractor’s staff assigned to work at a District school or with District students under this Agreement shall obtain a criminal background check per RCW 28A.400.303 and RCW 43.43.830 prior to such staff providing services pursuant to this Agreement. Contractor further agrees that all staff assigned to the District will be fingerprinted prior to any work for the District. Contractor is responsible for any fingerprint processing fees. The District shall be provided with fingerprint results for all staff assigned to perform work for the District. If a positive criminal history is reported, the District shall make a final determination as to whether that particular staff member may be assigned to work under this Agreement.

All applications for employment must include the following statement to be read and signed by each applicant interviewed to work on this contract.

“Have you ever been arrested and/or charged with a crime at any time?” If yes, as to each arrest, supply the following information: Were you charged with a crime? If charged, are the charges still pending? If so, indicate the nature of the charge, date charged, court of jurisdiction, case number, and trial date (if scheduled). If the charges are not still pending, indicate the nature of the charge, the date charged, the court of jurisdiction, and the case number, and specify how the charges were resolved. (Indicate whether by dismissal, acquittal, conviction, guilty plea, agreement with court or prosecutor, or some other manner of disposition.)”

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

6. Drug and Alcohol Testing. -The Contractor will conduct drug and alcohol testing per State and Federal Regulations.
7. I.D. Badges. -All drivers will be required to wear identification badges, ~~which that~~ include their picture and name. I.D. badges will be the responsibility of the Contractor.
8. Driver Responsibilities. The driver will be responsible for the supervision of students while on the bus. Drivers must ensure that students adhere to District rules and regulations of conduct, and shall report cases of student misbehavior to the receiving school Principal or Program Manager. The Principal or Logistics Director have the final authority in determining the suspension of a student's riding entitlement. Drivers may not eject a student from a school bus. Should unmanageable student behavior occur ~~en route~~~~enroute~~, the driver shall pull off the road and try to control the situation. If necessary, the driver shall call the District Operations Control Center for assistance and authorization to proceed to the nearest school for assistance by the building administrator.

All drivers and operational staff are to be trained to follow and administer the policies and procedures outlined in the District's "Student Management on Buses" program.

9. Driver Experience. In the interest of student safety and management efficiency, the Contractor shall be required to meet the following driver experience requirements: At least 50 ~~percent~~% of the full-time bus drivers hired by the Contractor for work under this contract will have a minimum of six (6) months experience as school bus drivers. A driver is "full-time" under this contract if he/she performs 20 hours per week of work under the contract.

The Contractor shall report in writing to the District on October 1<sup>st</sup> and February 1<sup>st</sup> of each school year on its compliance with this experience requirement.

The District may, in writing, waive or partially waive these experience requirements when the District, in its sole discretion, determines that there is some intervening reason why the requirements cannot reasonably and feasibly be met.

10. Driver Compensation and Benefits. Driver compensation and benefits shall be adequate to attract and retain sufficient numbers of qualified and suitable drivers to avoid service interruptions. Driver wages and benefits shall commensurate with the City of Seattle labor management laws. The District places high value on drivers being fairly compensated and receiving benefits ~~which that~~ provide for healthy living.
11. Regular Driver. Experience has proven that a regular driver minimizes operational and student management problems. The Contractor shall provide a regularly assigned driver to each route. Drivers may be transferred between routes whenever the best interests of the District, driver, or students may be served. -The District may request that appropriate action be taken regarding driver assignments in the event of legitimate concerns for driver performance or characteristics; however, determination of appropriate action rests with the Contractor who shall be obligated to deal responsibly and responsively to such District requests. Whenever a change of driver occurs on a

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

route, for whatever reason, the new driver will conduct a dry run of that route prior to commencement at no cost to the District.

12. Route Direction. The Contractor agrees not to deviate from the schedule and routes prepared by the District Transportation Office. Any deviation will be at the sole expense and liability of Contractor. The Contractor shall ensure that each driver will have an updated route map and/or left/right directions and a current student listing prior to making any run.
13. Driver Uniform. Drivers are viewed by the public as an extension of the District. Drivers shall maintain a professional appearance and the Contractor shall adopt a standard uniform jacket and name tags required to be worn by drivers while on duty, beginning no later than 15 days after employed.
14. Monthly Personnel Reports. The Contractor shall submit monthly a personnel status report indicating the following:
  - a. Daily driver assignment report – This is an on-line report and the Contractor must submit information daily per District procedures.
  - b. Personnel Attrition Report - The first report will be submitted on the first working day of August each year. This will be considered the base report for the coming school year. Included in this August report will be a recruitment and training plan showing how the Contractor will meet the driver requirements for dry run day.

Sample Format

| <b>PERSONEL ATTRITION REPORT</b>    | Month | Cumulative |
|-------------------------------------|-------|------------|
| Total Drivers at Beginning of Month |       |            |
| Drivers Terminated                  |       |            |
| Percent Attrition                   |       |            |
| Drivers Entering Training           |       |            |
| Drivers Completing Training         |       |            |
| Percent Attrition from Training     |       |            |

15. Driver Evaluation. Driver trainers shall ride with every driver at least once each semester to observe and evaluate driving practices with respect to safety, mechanical operation, and conformance with applicable laws, rules and regulations, and adherence to specified route schedules and methods of student management. In addition, the District may at any time, have a representative ride with any driver of the Contractor for the purpose of observation to assure compliance with the terms and conditions of this contract. The Contractor shall provide the District with a monthly summary of driver evaluations conducted during the previous month with attached copies of evaluation reports.
16. Substitutes. Persons who may be employed as substitute drivers shall fully comply with all requirements pertaining to regular drivers. They must have a minimum of three (3) months school bus driving experience and shall pass the geographic test

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

provided by the District. Substitute drivers include “cover,” “on-call,” “standby” and those drivers not assigned regular routes but who drive as backup when needed.

17. Assignment of Substitute Drivers. Whenever a regular driver is off on a planned absence or for sick leave of more than two (2) days, to the extent possible, the same substitute driver shall be used for the entire absence of the regular driver.
18. Newly Trained Drivers. Contractor will provide the District 24 hours advance notice of the first-time assignment of a new driver to District work. The notice will include the control number and copy of a Dry Run Report for the assigned control number. All new hires will be assigned an open control number for a minimum period of three (3) months. This will allow a driver the opportunity to become familiar with District student transportation and reduce the potential for the types of problems occurring that typically occur with new drivers.

All drivers must attend a 3-hour District orientation training session. Drivers must attend this session within their first ~~thirty (30-work-days)~~ workdays of employment. The District will offer a minimum of one class per calendar month. If needed, additional classes will be scheduled. The Contractor will submit a claim voucher for reimbursement upon completion of the course. Compensation will be at the driver's hourly wage rate.

19. Customer Service Training. The Contractor agrees that drivers may be required to participate in a Customer Service course of instruction. The District will furnish instructors and facilities. The District will specify the dates and designate the drivers required to participate. The Contractor will submit a claim voucher for reimbursement upon completion of the course. Compensation will be at the drivers' hourly wage rate.
20. Safety Assurance Plan. The Contractor shall develop and maintain a Safety Assurance Plan. The Safety Assurance Plan and Action Plans will be updated annually and submitted to the District for approval before the start of school each year. An outline of areas to be covered in the Safety Assurance Plan is provided in Attachment 2.
21. Safety Training. As part of the Safety Assurance Plan, the Contractor shall provide driver safety training. The training shall consist of a minimum of one ~~two~~ 2-hour session per semester with a maximum number of 35 drivers participating in each orientation.- Drivers failing to attend are not eligible to drive District routes. A roster of participants will be submitted to the District within five (5) working days after each session.
22. Labor Provisions. The District believes that experienced school bus drivers are critical to the safe and timely transport of students and therefore places a high priority on the retention of an experienced driver force that has a commitment to safe and efficient provision of services under this contract. As high levels of driver turnover have become a major problem in the school bus industry, and as this creates an impediment to the adequate training and professionalism of drivers, the District wishes to ensure that all reasonable steps be taken to ensure the retention of the current driver workforce and the ongoing maintenance of a workforce of experienced, well-trained drivers

committed to safety and high quality service. The District also wishes to avoid the unnecessary disruption of services and the unnecessary lowering of driver morale.

a. Retention of Employees under Prior Contract

~~1.—The Contractor agrees to offer employment to all school bus drivers who had been employed to provide these services to the District under the prior contract, and, as of the end of the 2016-2017 school year had been so employed for a period of not less than 90 days, unless the Contractor has reasonable cause to refuse to make such an offer to one or more particular employees. The hiring procedures and requirements imposed by the Contractor shall not be substantively more stringent than those employed by the Contractor under the District contract for 2016-2017 or, if the Contractor did not have a contract with the District for the 2016-2017 school year, the hiring procedures and requirements shall not be substantively more stringent than those generally applied by the Contractor in similar operations for other school districts. Any such offers to school bus drivers who had been employed to provide services under a contract for the 2016-2017 school year shall be for an hourly rate not less than the hourly rate paid to the particular employee involved under the prior contract and shall be held open by the Contractor for a period of not less than 30 days. All such employees shall be retained for a period of at least 90 days after the start of the 2017-2018 school year, absent reasonable cause for termination.~~

~~2.—Should the Contractor determine that it requires the services of fewer drivers than those who had been so employed under the prior contract, the Contractor shall offer employment to the drivers on the basis of the driver's seniority (i.e., length of continuous service as a driver providing services to the District). In such circumstance, should the Contractor hire additional drivers prior to the 90<sup>th</sup> day of the 2017-2018 school year, it shall give preference (in seniority order) to such drivers who were not previously retained. Any such drivers hired at such later time shall be retained for a period of at least 90 days after their hire, absent reasonable cause for termination.~~

~~3.—Failure of Contractor to comply with paragraphs (1) or (2) above, shall entitle the District to void this contract, at its discretion. Nothing in these Bus Labor Provisions is intended to create in any third parties, any independent causes of action against the Contractor or the District.~~

b. Driver turnover rates

~~The District places a high priority in the retention of an experienced driving force. The District understands that school bus driving is considered part-time employment and therefore retaining qualified drivers requires constant innovations. Each firm shall submit as part of its proposal the steps that it shall take to ensure that it is able to minimize driver turnover, hire and retain qualified drivers, retain the experienced work force currently driving our students, including senior drivers, and offer adequate and ongoing training to the workforce. Such proposal may include an incentive plan for~~

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

~~drivers with monetary and/or non-monetary incentives. Adherence to such plan shall be a requirement of this contract. The District favors Contractors having non-compete agreements with newly hired drivers that received training and CDL license at the expense of the Contractor if allowable under their CBA.~~

e.a. Labor peace

In order to ensure that any union organizational efforts among employees performing services under this contract do not unduly disrupt services to the ~~district~~District or contribute to the lowering of employee morale or the loss of experienced drivers:

1. ~~Each proposer~~Contractor shall (i) reach an enforceable agreement with any and all labor organizations ~~which~~that informs the proposer or the District that it seeks to represent employees performing services under this contract as their representative(s) under the National Labor Relations Act, (~~“NLRA”~~), with such agreement(s) providing for the lawful and peaceful resolution of disputes associated with any such organizing efforts in a manner that will minimize any disruptions or undermining of the District’s interests, including that such labor organization(s) will engage in no picketing, work stoppages, or other activities disruptive of services to the District, and that the proposer shall not take any actions contrary to the ~~National Labor Relations Act~~NLRA, including a requirement that the proposer shall provide only truthful information to its employees, and each bidder shall include a copy of any such agreement(s) in its proposal package, or (ii) shall represent as part of its proposal to the District that it has in good faith sought such agreement(s) with each such labor organization or has been unable to obtain such agreement(s) despite best efforts. Contractor’s compliance with the provisions of this paragraph ~~3(a)~~1 shall be a condition precedent to receipt of this contract, assuming the willingness of the relevant labor organization(s). No Contractor shall be required to agree to any unlawful terms, nor to reach agreement regarding employees not related to the performance of services under this contract. In determining whether the proposer has met the requirement to seek such an agreement in good faith, the following requirements shall be met and shall be sufficient: (1) proposals must be exchanged or requested; and (2) a face-to-face meeting to discuss the proposals must be held or requested; and (3) if an agreement cannot be reached, the bidder must provide a rational explanation for why agreement was not reached. In and of itself, a failure to negotiate a contract with a labor organization pursuant to this paragraph ~~3(a)~~1 will not disqualify a proposer.

2. The Contractor agrees that, during the term of this contract, it shall continue to be willing to agree to, and execute, such lawful labor peace/labor harmony agreements with any labor organization that may lawfully seek representation of employees performing services under this contract and that has informed the District or the firm that it seeks to represent such employees. If the Contractor is contacted by any such labor organization and is unable to reach an agreement, upon request by the District, the Contractor must: (1) represent that proposals were exchanged or requested; and (2) represent that a

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

face-to-face meeting to discuss the proposals was held or requested; and (3) present a rational explanation for why agreement was not reached.

~~3. Failure of Contractor to comply with paragraph 1. or 2. above shall entitle the District to void this contract, at its discretion, or to seek actual damages to the District for each violation, up to \$10,000 for each violation, provided however, that no contractor shall be required to agree to any unlawful terms, nor to reach agreement regarding employees not related to the performance of services under this contract.~~

23. Compliance with Labor Laws. Contractor agrees to comply with all applicable labor laws and regulations as they pertain to organizational activities and the like. Drivers must know that they have an unencumbered right to discuss organizational activities without fear of employer retaliation. In particular, each Contractor is responsible to comply with its obligations under the ~~National Labor Relations Act~~NLRA with respect to drivers' discussion concerning their rights to organize.

~~24. Rate Adjustments Related to Increases in Driver Wages or Benefits. In the event driver wages or benefits are increased by the Contractor in order to maintain driver staffing levels sufficient to achieve the on-time bus arrival performance standards established in the Key Performance Indicators, the Parties agree to negotiate an appropriate rate adjustment to account for the associated increases in wages and/or benefits. The Parties agree that the Contractor may request a driver wage rate increase for the following school year, but the request for a driver wage increase must be made before December 1 for the following school year and must include appropriate documentation, data, and evidence to support the request. The Parties agree that in order to request a rate adjustment, the Contractor must demonstrate that driver staffing levels are the majority cause of failing to achieve the on-time bus arrival performance standards and that driver compensation and/or benefits is the primary cause of insufficient driver staffing levels. If an increase in driver wages are mandated by regulatory changes, the District agrees to adjust Contract rates to cover the compliance cost increase. Any increase for driver wages under this section must be paid 100% to drivers, and the Contractor will furnish to the District appropriate financial records to demonstrate compliance with this requirement.~~

G. Operations.

1. Stop Times and Locations. The District will have sole authority to direct the routes, times, and locations of pickup and delivery. The District shall furnish the Contractor with a list of the school days by program for which the transportation service is to be furnished with the understanding that the number and days shall vary depending on the program. A school calendar will be provided to the Contractor. In the event of changes in the school calendar, the District will provide an amended calendar as soon as practicable.

2. Bus Inspection at Completion of a Route. All buses will be equipped with the Zonar Electronic Vehicle Inspection Report (~~EVIR~~)("ZEVIR") system or equivalent approved by District and shall include pre-trip, post-trip, and child-check inspections. This system shall include an integrated GPS-GSM real-time reporting capability. This system shall be an eleven-zone tag configuration subject to approval of the District. Drivers are to complete a

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

physical walk-through of the bus after each route is completed; verification of this inspection will be via the ~~Zonar~~ZEVIR or equivalent system. This inspection is to determine if any students are still on board and to identify any leftover belongings. If the driver leaves a student on the bus unattended, the Contractor will transfer or otherwise remove the driver from the District's school bus service.

The District reserves the right to request the ~~contractor~~Contractor at a future date to provide the District with integrated software capability such as VersaTrans "Online" or equivalent to leverage GPS capability. This system software will be used to provide ~~contractor~~Contractor with real time billing capability, monitoring of late buses, and providing District with real time solutions for on-time delivery of students. The ~~contractor~~Contractor will be responsible for purchase and maintenance of the system, and will provide the District with all necessary passwords and access to all data generated by the system.

3. Delivery. -No student will be delivered to school earlier than one-half hour or no later than ten (10) minutes prior to the beginning of class sessions. The District, prior to the opening day of school, will submit school start/dismissal times to the Contractor. In the event of changes in start/dismissal times, the District will provide amended schedules as soon as practicable.

4. Special Program Notification. The District will inform parents of various programs, e.g., Special Education, Head Start, etc., that the District ~~will report~~will report to the Contractor any student who is not to be picked up or who is to be resumed.

5. Load Adjustments. The District will monitor all routes and loads assigned to each bus and the Contractor shall adjust routes and loads as directed by the District's Transportation Office.

6. Additional Activity Services. -The Contractor shall provide additional bus service for extended day activities, noon runs, varied school start/dismissal times, and other activities as required by the District's Transportation Office.

7. Other Authorized Riders. -The Contractor shall permit adults or other approved visitors to ride the buses only when authorized by the District Transportation Manager. Family members of drivers, including children (unless child is assigned to that route), are not permitted on the school buses during the time the bus is operating under this ~~contract~~contract, this includes deadheading time. Exceptions may be requested in advance for special events, such as bring your child to ~~work day~~workday, or other emergencies, and all must be approved in advance by the Transportation Manager. Any instances will be subject to fines under liquated damages section.

8. Intervention Associates. -The District may assign Intervention Associates to routes. The role of the Intervention Associate will be to work with the bus driver, students, and school officials to ensure a safe and orderly bus ride.

9. Incident Reports. The Contractor will provide the District's Transportation Office with written incident reports of disciplinary and health problems that may arise during scheduled District service. The Contractor shall notify the District immediately of any vehicle



Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

accident where students are involved, or of any situation that constitutes a safety hazard to students. The Contractor will bear full responsibility for any issues resulting from students being dropped off at an unassigned stop.

10. Accident Reports. The Contractor will immediately notify the District of any accident. The Contractor shall forward within 24 hours of each accident wherein an injury is sustained a written report describing all details of such accident. All other accident reports will be submitted by the tenth of each month for the preceding month. Prior to the start of school, the Contractor shall provide the District's Transportation Office with a copy of its Standard Operating Procedures for responding to accidents.

11. Emergency Exit Drills. -Emergency exit drills shall be held each school semester except Head Start routes will have two drills in the first semester. If unexpected problems develop, a make-up drill shall be scheduled as soon as possible. Emergency drill reports shall be submitted as directed by the District's Transportation Office.

12. Field Trips. There will be requirements for field trip busing. Field trips will be assigned as requested by the District's Transportation Office.

13. Ice and Snow. -The Contractor shall operate during ice and snow conditions unless the District cancels routes. Chains will be carried on all buses at all times and drivers shall be trained and qualified to install tire chains. The Contractor shall implement alternate routes as necessary that have been approved by the District.

14. Notification of Delays. The Contractor shall immediately notify the District's Operations Center of all service delays at sign out and all bus breakdowns. This will allow the District's Operations Control Center to inform parents of delays.

15. Dry Run. -A rehearsal day (Dry Run Day) will be conducted approximately one (1) week prior to opening day of school (the exact date to be announced by the District). All routes will be operated as though it were the first day of school. Orientations will be conducted during the same day for all drivers at sites and times designated by the District. It is critical that all drivers have the opportunity to meet with the school staff prior to the opening of school. The Contractor will submit a claim voucher for reimbursement upon conclusion of the rehearsal run and orientation of the drivers. Rehearsal runs will be compensated at ~~BDR~~ (Basic Daily Rate) ("BDR") and drivers' orientation at the drivers' hourly wage rate.

16. State Funding Count Requirements. The Contractor shall provide the District with accurate and timely student counts for the purpose of State Transportation Cost Reimbursement. These four ~~days-day~~ official count periods will be conducted in October, January, and April of each year unless a more frequent schedule is required by state or federal regulations. ~~The Contractor shall work with their GPS service provider to provide these counts electronically beginning October of 2017. Liquidated damages shall apply for each case of missing ridership data not received within 5 days of designated count period.~~

17. Force Majeure. It is agreed by the Parties that in the event the Contractor is unable to provide transportation services as herein specified because of acts of God, fire, riot, war, civil commotion, cyber-attack (assuming Contractor took reasonable safeguards and

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

provides a reasonable response to such attack), unusually severe or any other significant emergent conditions or cause beyond the Contractor's control, the Contractor shall be excused from performance hereunder.

H. Billing Procedures

1. Claim Voucher/ Daily Bus Report. The Contractor shall submit a base billing to the District's Transportation Office no sooner than the 15<sup>th</sup> of each month for that month of operation. Contractor shall submit an excess billing to the District's Transportation Office on or before the tenth day of each month for the previous month's service. Contractor shall maintain daily Bus Report Forms for each individual route. The billing(s) shall give a breakdown of the program identifying the amount of time when hourly rates are utilized, the applicable rate, and the total amount claimed for each program group. Programs will be designated by the District prior to the start of the school year. The Contractor shall complete a Daily Bus Report (~~("DBR")~~), as designated by the District, or input data into software provided by the District. The DBR's will be assembled by date and in route sequence and made available to the District no later than five (5) days after the transportation is provided.
2. Basic Daily Rate. "To and From" ~~Basic Daily Rate (BDR)~~ (four [4] hours) is defined as two trips out of the lot and return per day. Invoicing shall be based on driver DBR sign on/off time to include a 15-minute pre-trip driver safety/preventative maintenance check of bus.
3. Use of ~~Basic Daily Rate-BDR.~~ The District reserves the right to fully utilize the four (4) hours ~~Basic Daily Rate-BDR.~~ Further, the District reserves the right to assign additional time beyond the basic four (4) hour rate for work required to provide other services, including for areas such as Head Start preschool program and before and after school activity services. If the Contractor routes a bus from an alternate facility not ~~designated~~designated to serve the route, the Contractor will credit the District for excess deadhead time.
4. New or Substitute Drivers. -When a new or substitute driver is assigned a route, the time of the route will be computed on the average time of the regular driver's route time and invoiced on the billing accordingly.
5. Rounding Time. All time accrued in excess of the ~~Basic Daily RateBDR~~ will be prorated to the closest five (5) minute increment as reported on the driver's ~~DBRBDR.~~ If over three (3) minutes, time shall be rounded to the next higher five-(5) minute interval. If three (3) minutes or under, the time shall be rounded down to the next lower five (5) minute interval. Time ~~which~~that is accrued in excess of the ~~Basic Daily RateBDR~~ of four (4) hours shall be charged at the hourly rate schedule under Excess Hourly Rate: ("HER").
6. Late Operation/Work Actions. ~~In the event a bus is late in performing a run due to contractor error, an adjustment to the charge will be made. A run operated greater than 10 minutes late, up to thirty minutes will be credited on a per minute bases at the excess hourly rate.~~Late Operation/Work Actions. Should a trip be missed entirely, a deduction equivalent to the estimated cost of the trip shall be subtracted from the

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

monthly billing. The Contractor shall immediately notify the District's Transportation Office in the event of a delay. If students are missed as a result of driver fault or negligence, or because of a delay in operating service, the Contractor shall, at its expense, pick up and deliver missed students or reimburse the District for any expenses incurred by the District in providing alternative service for missed students. If there is a failure or refusal on the part of the Contractor to furnish the services specified in the proposal, after requested in writing, the District may charter that service in the open market at the Contractor's expense or take any other action provided for in this Contract.

~~7. Liquidated Damages. Prompt and safe transportation of students to schools and to their homes is essential for students to benefit fully from their school experience, while minimizing the burden to the student, their families and school staff. From the nature of the services to be rendered it would be impractical and extremely difficult to fix the actual damage under the Contract caused by defects in service. Within 45 days of the event there shall be assessed as liquidated damages, but not as a penalty, the amount(s) set out below. Radio log/recordings/GPS system provider data will be used as verification.~~

~~a. \$200.00 shall be assessed for each incident of the following: (If an entire assignment is missed (blown route), including an assignment for a field trip, the liquidated damage assessment shall be \$800.00)~~

~~i. Morning route, 15 or more minute delay.~~

~~ii. Noon route, 15 or more minute delay.~~

~~iii. Afternoon route, 15 or more minute delay.~~

~~b. \$100.00 shall be assessed for each incident of the following:~~

~~i. Not having a "Regular Driver."~~

~~ii. Driver misses stop or fails to pick up or drop off student(s).~~

~~iii. Driver fails to follow District approved route.~~

~~iv. Failure of a driver to keep up to date route description.~~

~~v. Failure to clean a dirty bus (interior and exterior) within twenty four hours of notice.~~

~~vi. Failure to display route numbers.~~

~~vii. Unauthorized riders.~~

~~viii. No contact via radio.~~

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

- ~~e.— \$250.00 shall be assessed for each incident that a field supervisor is absent from his/her assignment.~~
- ~~d.— \$250.00 shall be assessed for each assignment on Dry Run Day that is not driven by the driver who is permanently assigned to that route.~~
- ~~e.— \$300.00 shall be assessed for each incident or for delays in service as a result of a private charter trip.~~
- ~~f.— \$250.00 shall be assessed for each case of missing ridership data not received by District within 5 days of designated count period.~~
- ~~g.— \$250.00 shall be assessed for each case of a route being covered with a bus that does not have active GPS, Radio, or Video.~~

~~Damages for trip delays, which are in the sole judgment of the District clearly and unquestionably caused by factors totally beyond the control of the Contractor, will be waived by the District.~~

~~The above damages are cumulative if a single incident includes more than one category.~~

- ~~8. Late Operation. If the District becomes aware that a late or missed trip occurred, but was not reported by the Contractor to the District, the Contractor may be charged \$250.00 for each trip which is not reported to the District. A late trip is defined as a trip operated more than 20 minutes late.~~

- ~~9.7. District Cancelled Operation. If the District cancels transportation and there is insufficient time to notify the drivers, the Contractor may charge the District for actual incurred costs and they will be paid by the District.~~

~~8. Cancellation of Routes. If in addition to the District's right to assign routes to other carriers in its sole discretion without cause in accordance with Section L, if Contractor's performance on a particular route or routes is unsatisfactory for a total of three five (5) days in any week, or if the Contractor does not have an assigned regular driver for a route or routes on Dry Run Day, the District may cancel such route(s) or portions thereof and award them to another carrier, bus service provider or operate them with District equipment. The Except for the 17 routes the District is procuring from Durham, the Contractor shall be liable for any additional costs to District as a result of providing such alternative service—, with such additional costs limited/restricted as follows:~~

- ~~(a) Additional costs will be capped at 25% above Contractor's all in rate for the same service~~
- ~~(b) If the District seeks to add a material amount of new routes (material amount defined as more than 2% of the existing route count ((defined as 352 routes)) within a 60 day period) to the Contractor, the District must provide Contractor with 60 days' notice before assigning the routes to Contractor to allow for recruiting/training new drivers and procuring additional buses. If the District does not meet the 60 day~~

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

notice requirement. Contractor will not be responsible for any associated cover costs. If Contractor is able to provide coverage for the routes within the 60 day notice period, then District will not assign those routes to a third party.

~~10.~~ Unsatisfactory performance for purposes of this section may consist of driver fault, driver misconduct toward students, mechanical breakdowns, not filling assignments, late route performance of ten (10) minutes or more, multiple different drivers on a given route, and/or other similarly serious factors. Except as provided in II.H.13 below, such cancellation shall be preceded by written notification of unsatisfactory performance by District to Contractor before or upon the third instance of unsatisfactory performance for each route, and following each instance thereafter. Contractor must immediately correct the deficiency, or may respond in writing, within five (5) calendar days of receipt of such notices, as to why the asserted unsatisfactory performance should be excused. District shall make the final determination with its reasonable discretion.

~~11.8.~~ Failure to Comply with Terms and Conditions. -Notwithstanding the provisions of the ~~Districts~~District's Terms and Conditions, Article 9, should Contractor fail to comply materially with any of the terms or conditions of this contract, or should District determine from Contractor's total performance that Contractor is unfit, unqualified, or unable to meet the student transportation needs of District as required by this contract, then this contract may be cancelled in its entirety by District at any time upon thirty ~~days prior written notice to Contractor.~~(30) days prior written notice to Contractor. However, prior to any such cancellation, the District shall give the Contractor thirty (30) days' written notice of cancellation and the opportunity to remedy such alleged performance deficiencies or take sufficient steps to remedy any alleged performance deficiencies.

~~12.9.~~ Exercise of District Rights. Notwithstanding the foregoing process and periods for notification to enforce a right, the District at its option may exercise any of its rights under the District's Terms and Conditions, Article 9, with 24-hour notice if necessary to assure that reliable student transportation is available to the District.

~~13.10.~~ Acquisition of Buses. Should the cancellation or termination of this contract occur, except as described under force majeure, the District will provide or furnish transportation services itself or by contract, and the District may acquire buses, real property, and other facilities and property for student transportation.

~~14.11.~~ District Purchase or Lease of Contractor's Assets. Therefore, upon cancellation or termination of this contract under any of its provisions, District may at its option buy or lease from Contractor, and Contractor agrees to sell or lease to District, any or all regular buses, services and spare buses, facilities and/or real property, which as of the date of delivery of notice of cancellation from District to Contractor are then being used by Contractor. The price for said buses, facilities, and/or real property shall be determined by appraisal of the actual cash value without any assignment of value for a "going concern or group lot". The choice from among the various methods, as set forth below, by which District may acquire or lease said buses, facilities, and/or real property will be determined at the sole discretion of the District.

- a. Outright purchase of any or all of the buses, facilities, and/or real property; and

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

- b. Lease of any or all of the buses, facilities, and/or real property over a period or periods of up to five (5) years.

~~15.12.~~ Valuation. In the event the District exercises said option to purchase or lease any or all of Contractor's buses, facilities, and/or real property, the actual cash value at date of notification shall be used for valuation purposes and shall be determined by appraisal by three appraisers, one to be selected and paid by the District, one to be selected and paid by Contractor, and the third by the two said appraisers with the payment for the third appraiser to be equally shared by the Contractor and the District. The value of each vehicle and other asset shall be established by majority vote of the three appraisers, or, in the event of disagreement among all three, by the average of the two closest appraisals. The appraisers shall determine lease payments according to the same method on any lease using said value. The District may reject the appraisers' report as to the lease or purchase price within fifteen (15) days of report and such rejection shall work to forfeit the District's right to the lease or the purchase.

I. Field Trips

1. Field Trip Confirmation. All field trips paid with District funds, including evening and weekend trips, must be arranged and confirmed by the District's Transportation Office.
2. Site Release. The District reserves the right either to detain the bus and driver at the activity site or release, with the request to return at a specified time, whichever is the least cost to the District.
3. Scheduling of Field Trips. Whenever possible, field trips or activities will be scheduled in conjunction with to and from school trips.
4. Notification of ~~cancellation~~Cancellation of field trip busField Trip Bus(es). Contractor shall notify the District no less than five (5) working days in advance of the scheduled field trip.
5. Failure to ~~provide scheduled field trip buses.~~Provide Scheduled Field Trip Buses. Two (2) failures to provide a scheduled field trip bus(es) within fifteen (15) minutes of the scheduled time in any month shall be defined as "multiple cancellations".
6. Contractor ~~shall provide~~Shall Provide District with ~~designated field trip drivers.~~Designated Field Trip Drivers. These drivers may have a portion of their daily route designated as to and from routes. District shall designate the number of dedicated field trip drivers no later than July 16<sup>th</sup> of each upcoming school year.

J. Communication Equipment

1. Software. If the Contractor has their own proprietary system they use for daily bus routing operations, it must be compatible with data uploads from the District ~~Versatrans~~VersaTrans system. Data uploads are currently done twice weekly and may

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

increase to provide the most accurate routing. These data uploads contain all revisions made by ~~district~~District staff to existing routes and any new or cancelled routes.

2. Dedicated E-Mail Address: The Contractor shall provide a dedicated e-mail address for ~~each to~~ each facility location to receive route changes and other information.
3. Hot Lines. The Contractor will provide a hot line from each Contractor operational dispatch center to the District's Transportation Office.
4. GPS ~~reporting~~Reporting and ~~real-time route information~~.Real-Time Route Information. By September 1, ~~2017~~2019, the Contractor- will authorize ZONAR to release the Contractor's GPS data directly to the District.

K. Public Relations

The Contractor shall cooperate with the District to establish and maintain good public relations with the community and the news media. The District reserves the right of consultation on news media material regarding pertinent matters affecting the transportation services or patrons of the District.

L. Contract Extension ~~and Key Performance Indicator Based Payment~~

The student transportation services under this contract shall be provided for ~~three (3)~~two years (September 1, 2019 – August 31, 2021) at the rates, terms and conditions as set forth in Exhibit 1, which may include increases or decreases to the month base billing based on the Key Performance Indicators ("KPI") contained in Exhibit 2, with the option of ~~two (2)~~one additional ~~1-one~~ year renewals. The initial 3-year period (or more precisely, 37 months)~~renewal at the mutual agreement of performance begins August 1, 2017 and ends August 31, 2020~~the Parties at rates, terms and all rates, terms and conditions remain the same as set forth in Exhibit 1. The parties agree that the District reserves the option to extend the ~~may cancel routes assigned to Contractor without cause and obtain transportation services during the term of this contract with two (2) separate 1-year renewals. Should~~from other providers to the extent desired by the District extend the contract, the first renewal period of performance would begin September 1, 2020 through August 31, 2021. The second renewal period of performance would begin September 1, 2021 through August 31, 2022. Renewals are granted on a year-by-year basis. The in its sole discretion but District agrees that if it assigns routes to other carriers under this section, the Contractor shall submit to the District its proposed rates by December 15<sup>th</sup> in the year preeceding the renewal date. The Contractor must specify justification ~~not be liable or responsible~~ for any change of rates from the current amounts charged to the additional costs to District. ~~The as a result of~~ District reserves the right to:

- a. ~~Accept the Contractor's proposed rate structure for the following year and award a one-year extension, or~~
- b. ~~Reject the Contractor's proposed rate structure and select rates for the following year based upon an adjustment to the "core inflation rate" by using the then-current rates to reflect 100 percent of the October~~

Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

~~October percentage change in the Consumer Price Index, Not Seasonally Adjusted, for Seattle-Tacoma-Bremerton, WA, All Items Less Food and Energy (Series Id: CUURA423SA0L1E, CUUSA0L1E), published by the Bureau of Labor Statistics, U.S. Department of Labor Base Period 1982-1984=100 (e.g. the adjustment for the 2020-2021 school year would reflect 100 percent of the percentage change in this C.P.I. from reference period October 2019 to reference period October 2020).~~

~~e. —Cancel the contract effective the following August 31.~~

~~d. —Cancel the contract effective the following August 31.~~

~~The District will select one of the three alternatives by April 15.~~

~~It shall be understood that the Contractor is obligated to perform for a total of three years per these terms, but that the District is obligated only on a year by year basis except as otherwise provided herein for earlier termination by the District. Contractor may elect to terminate this contract after three years performance, in which case written notice of procuring such termination must be given the District by December 15 of the year preceding the beginning of the next contract year. If Contractor does not timely elect to terminate the contract effective years four and five, alternative services or year five, yearly extensions per the above procedures shall continue at the District's option for the full five years of this contract. services.~~

~~The District makes no representation as to the size or scope of its transportation needs beyond the 2017-2018 school year; thereunder this Contract. There will be no penalties assessed against the District in connection with decreases in numbers of buses contracted from yeartime to year.time.~~

~~M. District Penalty~~

~~The Number of buses awarded by this contract for 2017-2018 or succeeding years may vary from the number required at the opening of each school year. If after the first 30 days of school or during the continuance of a year the number of buses not used in regular service exceeds 10 percent of the number contracted for regular service, the Contractor may assess the District a one-time penalty. This penalty will be determined based on consideration of the following costs, and no others:~~

- ~~1. —bus depreciation;~~
- ~~2. —interest on capital investment on the unused equipment;~~
- ~~3. —employee training;~~
- ~~4. —bus license and/or fees; and~~
- ~~5. —storage costs.~~



Student Transportation Services for 2019-2020  
and Succeeding Years.

Exhibit 3  
Scope of Work

~~These costs shall be subject to an independent audit by a firm acceptable to the District and the Contractor.~~

~~Once the penalty has been assessed, the Basic Daily Rate for each class of bus as outlined in Article II of the proposal will be utilized for the remainder of the contract.~~

~~The District reserves the right to prescribe the class and model of the buses to be retained in service. Cost reimbursement will be predicated upon vehicle class.~~

~~If the number of buses needed exceeds the contracted amount, the Contractor shall invoice in accordance with the cost per bus class as outlined in Article I of the proposal.~~

~~N. Other~~

~~The District currently has 24 nonunion, hourly employees who perform Bus Assistant responsibilities for Head Start students. The District is contemplating bringing this work under the purview of the successful contractor(s), and reserves the right to request the successful vendor to perform this function.~~