

STEELEVILLE COMMUNITY UNIT SCHOOL DISTRICT #138

PUPIL TRANSPORTATION AGREEMENT

I. PARTIES

This Agreement is made and entered into by and between the Board of Education of Steeleville Community Unit School District #138 ("District") and Wouthwestern Illinois Bus Company having a place of business at 2421 Old Plank Road, Chester, Illinois, ("Contractor") as of its Effective Date, July 21, 2014.

II. TERM OF AGREEMENT

The term of this Agreement encompasses the following school year(s):

2014-2015, 2015-2016, and 2016-2017

unless sooner terminated in accordance with the provisions hereof. This Agreement may be extended for additional years by mutual agreement of the parties in accordance with the laws of the State of Illinois.

III. SCOPE OF CONTRACT

The Contractor must provide full and comprehensive regular student bus transportation services for the District in accordance with the terms and conditions set forth herein.

The Contractor shall, during the period set forth herein, provide and maintain the required number of school buses to transport conveniently and safely all students designated by the District to be served under the provisions of the Agreement.

Contractor shall provide such transportation for each and every day that school is convened and in accordance with bus routes, bus stops and schedules approved by the District's Superintendent.

The District reserves the right to revise or change any and all routes to best suit the District's needs at any time before or during the school year. In the event the District requests that a route or routes be added or deleted during the term of this Agreement, the parties shall jointly agree to modify the compensation owed to Contractor on a pro-rata/per-mile basis, based on an analysis and computation of a pre-change per-mile payment to Contractor calculation, which value shall be applied to the mileage resulting from the addition or deletion of route(s). In the event the parties cannot mutually agree to the appropriate charge resulting from any such change, this Agreement may be terminated upon the provision of 90-day notice to the other party.

In addition, Contractor shall, during the period of this Agreement, provide vehicles (regular buses) and transportation for all students or other authorized personnel as may be

required AND IF/WHEN REQUESTED BY DISTRICT for field trips, excursions, athletic activities or any other purpose designated by District, in accordance with the requested Mandatory Alternate Bid and charges contained on Contractor's Bid Forms.

The Contractor shall comply in all respects with the terms, provisions and requirements set forth in the Instructions to Bidders and Specifications, (collectively, with the Notice to Bidders and Bidder's Bid Forms, referred to as the "Bid Documents" or "Bid Package.") The Bid Documents attached hereto as Exhibit A, are hereby incorporated herein by this reference, and are made a material part of this Agreement.

Neither this Agreement nor any part hereof may be assigned or subcontracted without written consent of the District, and in no case shall such consent relieve Contractor from obligations, or change the terms of this Agreement.

The Contractor shall provide:

A. School Bus Ownership and Control

All school buses, and/or coaches/charters, etc. ("Vehicles") used in performance of this Agreement shall be owned and/or otherwise controlled by the Contractor. The Contractor shall, before placing said school bus in service under this agreement, furnish the Board of Education with a statement setting forth the name and address of the owner of each such Vehicle. Contractor shall be exclusively and solely responsible for providing maintenance associated with usage of the Vehicles, and shall bear all related costs and expenses.

B. Management

It is required that the Contractor have a designated person to manage the District's student transportation services ("Contract Manager"). The Contract Manager shall be available on a "24/7 On-Call" basis during the year so that emergencies and other issues relating to this Agreement can be resolved expeditiously.

The Contractor is required to employ a full-time staff member (this may be the Contract Manager) at a central location convenient to the District to handle complaints, meet with parents and District's staff, and generally to manage the system according to the District's requirements. The office/depot staff person shall be present at the central location at all times that buses are in service pursuant to the terms of this Agreement, whether before, during or after regular school or office hours, with at least a radio dispatcher operator on duty minimally between the hours of 6:30 am and 4:30 pm and personnel on duty or on call to service a disabled vehicle, or a vehicle otherwise in need of assistance.

C. Bus and Vehicle Repair and Maintenance

Contractor shall keep and maintain all equipment (Vehicles, etc.) used in the transportation of students in strict accordance with the State of Illinois Minimum

Standards for School Buses, as promulgated by the Illinois State Board of Education and the Illinois Department of Transportation, as well as all other applicable federal and local laws, regulations, policies and rules. Contractor shall: maintain all such equipment and vehicles in sound mechanical condition at all times to pass the required State School Bus Inspections; keep all vehicles in a clean and sanitary condition; keep all equipment open to examination by authorized District personnel during normal working hours. Contractor shall ensure that all vehicles have inspections in accordance with all federal, state and local legal requirements, that any vehicle that does not comply with inspection requirements shall not be used, and that standby vehicles shall meet the same standards as regular route vehicles. [Contractor shall maintain a sufficient number of stand-by buses so that there will be no service interruptions due, but not limited to, bus breakdowns.] In addition to the Contract Manger, Contractor shall have an on-site vehicle mechanic available on call at all times during the Pupil Transportation Agreement so that timely routine maintenance can be made as needed and so as to mitigate interruptions to services provided the District. Contractor shall ensure that all buses are equipped with communications equipment in good working order. The equipment must incorporate features to allow for communication with the District. Bidder shall provide all such required communication equipment to the District, during the term of the Pupil Transportation Agreement, for its receipt of communications. Contractor shall provide and maintain a sufficient quantity of backup devices to ensure that buses never operate in violation of this provision. Drivers must also be able to maintain contact with Contractor's central dispatch.

The Contractor shall ensure that all Buses and other Vehicles comply with all applicable laws regarding the accommodation of students or others with disabilities.

Contractor shall be solely and exclusively responsible for the routine maintenance of said Buses and other Vehicles.

The Contractor shall provide all supplies and labor to maintain and operate all equipment and all other supplies necessary to adequately and safely transport on time all students designated by the District to be transported during the periods of time governed by this Agreement. In addition to the Contract Manger, Contractor shall have an on-site vehicle mechanic available on call at all times during the Pupil Transportation Agreement so that timely routine maintenance can be made as needed and so as to mitigate interruptions to services provided the District.

All equipment, personnel, maintenance, safety route, scheduling, and other matters pertaining to the transportation services shall be provided in accordance with the terms of this Agreement for the compensation set forth herein.

D. Bus and Vehicle Storage

When not running routes, *all* buses and other vehicles used in conjunction with the Pupil Transportation Agreement's Base Bid services shall be maintained, kept and stored, on a 24 hours/day and 7 days/week basis. District is requesting that buses be so maintained, kept and stored in order to mitigate the possibility of theft and vandalism, to reduce the possibility of fuel gelling and related service interruptions, to increase overall safety of the services provided, and to provide for the overall comfort of students. Contractor shall provide the Storage Facility to be used pursuant to this requirement at no additional cost or charge to the District, and the Storage Facility shall be of size sufficient to house all buses required under the Pupil Transportation Agreement. THIS REQUIREMENT FOR STORAGE SHALL BE DEEMED A MATERIAL PART OF THE PUPIL TRANSPORTATION AGREEMENT.

E. Vehicle Requirements:

Contractor's Vehicles: It is understood that all equipment used during the term of this Agreement shall comply with all local, state, and federal statutes, school bus specifications, and safety legislation governing bus transportation in the State of Illinois, expressly including the Illinois School Code and additional statutory provisions relating to the condition, marking, and operation of buses used for the transportation of students. The Contractor shall present suitable evidence certifying that the Contractor will have ample units available and ready for use at the beginning of and throughout each contract school year. The Contractor shall ensure that all vehicles used in the completion of this Agreement will comply with all regulations concerning inspections. At a minimum (and more frequently if required by applicable laws and/or regulations) Contractor shall have each vehicle inspected every six (6) months or 10,000 miles, whichever comes first, at a State Certified Inspection Station. The cost of said inspection shall be paid by the Contractor. No vehicle may be used in the transportation of students without first having completed these required inspections. It is further required that a copy of the inspection, as provided by the firm approved by the State of Illinois, upon request will be provided to the District certifying that the vehicle is safe for use. In addition to semi-annual inspections, the District also requires that the following minimum specifications are met (in the event federal or state law or regulation requires more stringent specifications during any period of time governed by this Agreement, said federal or state law or regulation shall supersede the following requirements):

- a. All front tires must have tread of at least 5/32 and no recaps are allowed.
- b. All rear tires must have tread of at least 3/32.
- c. The water, oil, tire pressure, tire conditions, and lights will be checked at least weekly by Contractor and a log will be kept.

- d. The brake adjustments and fluid, as well as the clutch adjustments, will be checked at least weekly by Contractor and a log will be kept.
- e. Each bus shall be cleaned and left in broom swept condition each day.
- f. Each bus exterior shall be washed at least once a week, weather permitting.
- g. Each bus driver shall complete a daily pre-trip inspection sheet as outlined by Illinois law and said records shall be kept for District personnel to review upon request.
- h. The Contractor shall keep spare vehicles on hand to cover emergencies or breakdowns on the road.

No vehicle shall ever carry more than the prescribed and authorized number of passengers, and passengers shall consist exclusively of those children designated by the District's Superintendent or adults assigned by agreement with the District. Contractor agrees that it will allow no person, other than students, school officials, and supervisors of the Bus Company and drivers in training, to ride the bus without the written consent of the District.

All vehicles must be equipped with communication equipment identified in the Bid Documents. The drivers shall be instructed to have his/her radio open and operational at all times so that immediate contact may be made when necessary. The Contractor is responsible for the purchase and maintenance of this equipment.

At any time the District may request the Contractor to provide the District with the following information on all vehicles to be used in the transportation of students:

- a. Make, model year and serial number
- b. State license number, municipal vehicle sticker number and safety inspection number
- c. Capacity of vehicle
- d. Ownership of vehicle

The Contractor shall keep accurate records of miles driven, number of students transported, and any other information required by District to substantiate state transportation claims and such information shall be automatically submitted on by Contractor to District on a monthly basis, without District's need to request the same from Contractor.

Should an act of vandalism occur to a vehicle, the Contractor shall fix or repair the damages as quickly as possible. The District shall assist, as much as legally possible, in helping the Contractor obtain restitution from the persons found guilty

of causing vandalism should they be District students. Vandalism repair costs, however, are and shall remain the responsibility of the Contractor.

F. Student Transportation:

In general, the transportation must include on-time pick-up at, and delivery to, the student's home or bus stop, transfers from one school or other facility to another school or other facility, late buses for activities or sports and other transportation as may be necessary to the education of the student or as required by the District, all in accordance with the terms of this Agreement.

The transportation service provided pursuant to this Contract shall be provided in accordance with the following standards and requirements:

1. Students shall be picked up and delivered at or as near as possible to the designated bus stops and shall be delivered to school in the District's designated areas.
2. Classes for students are expected to be held on one hundred seventy-four (174) Days. The District's school calendar shall determine the exact number and dates of student attendance days on an annual basis. The Contractor shall provide vehicles, free of charge, for classes practicing bus or school evacuation drills. Monthly payments to the Contractor, as set forth herein, shall be based on the daily per-route charges identified in Contractor's Bid Forms, and final monthly payments to the Contractor shall be determined by multiplying the appropriate per-day charges by the actual number of days in a particular month that the particular route was run. In no event shall District pay Contractor any monies exceeding those tied to daily services actually provided by Contractor to District, and Contractor acknowledges that it is possible that fewer than 174 days of attendance requiring transportation may actually result in any particular academic year.
3. In the event of an emergency situation arising during the term covered by this Agreement, which necessitates removal of students from said school or schools, the Contractor shall provide the required transportation within 30 minutes of such request. The Contractor will confer with the District before determining that weather conditions preclude the movement of buses. Emergency procedures will be reviewed each year by the District's Superintendent and/or designee and Contractor before publication to schools and parents. In the event of inclement weather or any reason for school being canceled or delayed, the Superintendent or designee shall notify the Contractor within a reasonable time after making the determination on the day of such cancellation or delay. In the event that school shall be dismissed early, the Superintendent or designee shall

notify the Contractor to make the appropriate transportation arrangements. It shall be the Contractor's responsibility to cause its Contract Manager to drive and inspect routes on days in which transportation may be difficult or unsafe and to inform and advise the District Superintendent of recommendations regarding the transportation of students.

4. The Contractor shall develop all schedules and routes, subject to final approval of the District. The District will have input regarding the development and scheduling of school bus routes. Final determination rests with the District. On an annual basis, the Contractor will supply the District with a written summary that details their route scheduling competencies and proficiencies as well as a timeline of how they expect to be ready for the first day of school.

It will be the responsibility of the Contractor to establish routes, stop sequences and pick-up times in a manner that will provide the most effective and efficient service to the students, with the approval of the District. Buses shall be scheduled to arrive in accordance with requirements set forth in the Bid Documents. Preliminary routes shall be established no later than August 1 of each school year. Final routes shall be established no later than three days prior to the start of the school year. The Contractor shall provide District with updated route maps at least five working days prior to the start of school and if requested within five working days of the start of second semester.

The District reserves the right to revise the routes and schedules to be followed and to make changes therein from time to time in order to best meet its needs. The District shall notify the Contractor whenever changes are necessary in routes or time schedules and the Contractor shall adjust its operations to incorporate such changes within three (3) business days after notice is received from the District.

All routes are to be followed according to the established schedules and no driver will leave a bus stop (student loading/unloading area) prior to the scheduled time of departure. In the event that bad weather, road conditions or other emergency makes it impossible or impractical to follow the scheduled route, temporary alternate routes may be established jointly by the District and the Contractor to ensure that all students on the affected route are provided transportation service with a minimum of inconvenience. It will additionally be the responsibility of the Contractor to notify the District promptly and in advance of any such route/schedule changes. The District shall be responsible for informing all parents of changes in scheduled pick-up and drop-off times. The District may require the assistance of the Contractor in contacting parents for such

changes. The final established bus routes will be followed exactly by the bus driver. Any changes that are presented to a driver by a parent or member of the community will be referred to the District for a decision. Any changes the driver feels should be made for convenience must be approved by the District. No changes, alterations or modifications of established routes, scheduled stops, or times may be made independently by the Contractor. Any such changes will be made mutually by the District and the Contractor when it is determined they will add to the safety or convenience of the students. The Contractor is encouraged to review on an ongoing basis, established routes, stops and times and make suggestions which may result in more efficient service to the students.

G. Bus Drivers

1. All drivers must comply with all requirements of local, state and federal law including, but not limited to, Drug and Alcohol Testing and Criminal Investigation Background checks. The Contractor must provide a certified list of all drivers and proof that each driver has passed all such tests. The cost of the Fingerprint based criminal records checks will be paid by the Contractor. The cost of any Substance Abuse Testing will be paid by the Contractor. The District may require the Contractor to provide this information upon the District's request.
2. The District reserves the right to require the removal or transfer of any driver, as determined solely by the District, when such driver or aide violates health requirements, or conducts himself/herself in a manner which is detrimental to the physical, mental or moral well-being of students. The District shall have the right to require the reassignment of any person or driver employed by the Contractor whom, in the District's opinion, is not qualified or appropriate to operate a school bus or otherwise assist the Contractor in performing this contract. Subject to this overriding right, however, the responsibility for hiring and discharging personnel in respect to all of the foregoing shall rest entirely upon the Contractor, and the Contractor must agree that it shall enter into no agreement or arrangement with any employee, person, group or organization which will in any way prevent the District from exercising such right. No person may be employed who has been convicted of committing or attempting to commit any one or more of the offenses listed in 105 ILCS 5/10-21.9 and 105 ILCS 5/21B-80. Contractor shall reimburse the District for the cost of any such investigations.
3. All drivers must participate in an orientation session scheduled and conducted on an annual basis as requested by the District and/or Contractor and shall attend whatever institutes, classes or seminars required or recommended by the Illinois State Board of Education.

Drivers will be required to perform a test run of their routes without students during the week prior to the start of school. This shall be performed at no additional cost to the District.

4. Each driver assigned to duties in the performance of this Agreement must be fully licensed as required by the laws of the State of Illinois. All drivers - including substitute drivers - must be thoroughly familiar with the areas and routes he/she is to cover. The use of any assistant under the age of twenty-one (21) years requires the written approval of the District representative.
5. Any collective bargaining agreement entered into between Contractor and its employees shall include a no strike provision and such collective bargaining agreements shall be subject to renewal only during the summer months when school is not in session.
6. The Contractor shall comply with all applicable Federal, State and local laws and regulations pertaining to wages and hours of employment of all personnel employed by the Contractor in the transportation operations.
7. The Contractor shall instruct its employees to abide by the policies, rules and regulations, with respect to use of District premises, as established by District.
8. The Contractor shall maintain a sufficient (10% margin over the regular scheduled drivers for daily routes) number of substitute drivers who have not been assigned permanent routes who will cover bus schedules when a driver is absent.
9. In the event of the removal or suspension of any employee, the Contractor shall immediately replace the employee without disruption in service.
10. In each of Contractor's employees' positions which require contact with the students, the Contractor shall only employ persons who have successfully passed the "Illinois Criminal Background and Investigation" check as required by law. The Contractor will establish a procedure to ensure that fingerprint based criminal records checks are on file and available to the District upon request.
11. Contractor's Driver Qualifications and Information Requirements.
Contractor shall maintain the following records and information and supply it to District upon request:

- a. Name: first, middle and last
 - b. Valid permit number for drivers of school buses
 - c. Proof of completion of the Illinois School Bus Driver Instructional Program and date of completion for school bus drivers
 - d. Health certificate and date issued
 - e. Driver's license number and date of expiration
 - f. Evidence of freedom from tuberculosis
 - g. Proof of age
 - h. Proof of drug testing
 - i. Proof of an Illinois criminal background and investigation check
12. Upon request, Contractor's drivers shall assist any special needs students on and off Contractor's vehicles and drivers have responsibility for safely seating such special needs students.
14. Contractor agrees that it will interview all drivers who served the District pursuant to the transportation agreement for the 2014-2015 academic year when Contractor conducts its hiring efforts with respect to this Agreement, if said drivers wish to be so interviewed.

IV. APPLICABLE LAWS:

Contractor shall ensure that it and all transportation services, vehicles, and personnel utilized hereunder comply with each and every rule, regulation, and statute of the federal government, State of Illinois, Illinois State Board of Education, the Regional Superintendent of Schools, and each local municipality in which the vehicles will be operated. The following laws must be complied with, but are identified for reference only, and in no way is this list all-inclusive: Illinois Human Rights Act; Equal Opportunity Act; Illinois Criminal Code; Americans with Disability Act; The Illinois School Code; all provisions of the acts of the General Assembly of Illinois relating to employment, including equal employment opportunity requirements; the Occupational Safety and Health Act and the standards and regulations issued there under. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or ancestry or for any other reason protected under law, and shall comply with all provisions of the Illinois Fair Employment Practices Commission as required by the Rules and Regulations for Public Contracts. The Contractor shall comply with all Federal, State and local laws and regulations pertaining to wages and hours of employment all personnel employed by the Contractor. To the extent required by law, the Contractor shall comply with the Prevailing Wage Act. Contractor represents certifies and agrees that it has implemented a sexual harassment policy pursuant to state law and that no person shall be denied or refused service or other full or equal use of the Contractor's services, or denied employment opportunities by the Contractor on the basis of race, creed, color, religion, sex, national origin or ancestry, age disability unrelated to ability, marital status, unfavorable discharge from military service,

or any other reason protected under law. Contractor shall at all times observe and comply with all laws, ordinances, regulations and codes of the federal, state, county, and other local government agencies that may in any manner affect the bid, scope, and/or performance of this Agreement. Contractor shall be responsible for providing District a copy of all completed criminal background investigation reports for each employee of Contractor working at the District during the term hereof, in compliance with 105 ILCS 5/10-21.9. Contractor acknowledges and certifies that it has and shall comply with the requirements of 105 ILCS 5/10-20.21(b) pertaining to: (1) the Illinois Use Tax Act; and (2) its status as a non-barred bidder or Contractor. Any costs incurred by Contractor in maintaining any of these requirements or compliances compliance shall be borne exclusively by Contractor.

V. REPRESENTATIONS OF THE CONTRACTOR:

- A. The Contractor has represented with the submission of its bid and hereby again represents to the District that the following facts and circumstances are true:
1. That the Contractor knows the scope of the Agreement, has completely reviewed the general and specific conditions and requirements of the Bid Documents, and is aware of all applicable laws and their requirements.
 2. The Contractor has the necessary expertise, equipment and personnel (including backups) or has documented financial ability and means to acquire the same sufficient to adequately and properly perform the Agreement in accordance with the Bid Specifications and applicable laws.
 3. The Contractor acknowledges that the District cannot determine in advance the exact number and location of students to be transported pursuant to this Agreement since school enrollment and placements fluctuate from year to year.
 4. The Contractor represents and covenants that no official, employee or agent of District: (a) has been employed or retained to solicit or aid in the procuring of this Agreement; and (b) will be employed or otherwise benefit from this Agreement without the immediate divulgence of such fact to the District in question.
 5. The Contractor certifies that all of its employees who have or will have contact with students have successfully passed, pursuant to *The School Code and/or additional provisions of Illinois law*, an Illinois criminal background and investigation check.

B. District's Reliance

The District has relied upon the Contractor's representations set forth in the Bid Documents, including the Contractor's Bid Forms, and Contractor's representations constitute a material part of this Agreement.

VI. PUPIL SAFETY AND DISCIPLINE:

The ultimate responsibility and authority with respect to all disciplinary problems, suspensions or expulsions of any student from transportation services hereunder shall rest with the District's Administration or School Board. The Contractor's drivers are responsible only for such discipline required to properly operate the bus. Each driver shall handle all disciplinary matters in strict accordance with District policy. In no case will a driver eject a student from a bus for misbehavior except in the event of an extreme emergency endangering the safety of other students and then only after radio notice to the Contractor's terminal and the pupil's building principal. All discipline problems shall be reported in writing immediately following completion of the route. Further administrative procedures and regulations will be established cooperatively between the District and the Contractor. The Contractor shall provide to the District a summary of disciplinary reports completed by drivers and those submitted to an administrator for action.

Drivers are expected to follow all instructions, rules and regulations for proper discipline and safe operation of buses as outlined in the Illinois School Bus Driver Instructional Program - Trainee Guide and Regulations of the District.

The Contractor shall notify the District, as quickly as possible in the event of an automobile collision or other incident. Contractor's first priority, however, is to see that the children involved are cared for. Contractor will immediately supplement the phone notification with a written report to the District.

The Contractor shall plan and administer a safety program in conformance with state laws and regulations; and such programs shall include, but are not limited to, the following minimum requirements:

- All drivers must participate in both classroom and on-the-road training programs devoted to safety, proper bus operation, rules and regulations and safety.
- All drivers must be evaluated after 30 days of employment and at least annually thereafter and must and must annually be given a review course on rules, regulations and safety.
- The Contractor must assist and participate with the District in providing safety programs as needed for the students. In addition, Contractor will provide a minimum of 1 bus evacuation drills per year.

- All bus routes, bus stops, operation of vehicles and driver activities must be conducted with the safety of the students as primary concern.

VII. FORCE MAJEURE

In the event the Contractor is unable to provide transportation services herein specified because of any act of God, civil disturbance, fire, flood, riot, war, picketing, strike, lockout, labor dispute, loss of transportation facilities, oil or fuel shortage or embargo, governmental action or any condition or cause beyond the Contractor's control, the District shall excuse the Contractor from performance under this Agreement.

VIII. INSURANCE REQUIREMENTS

A. Insurance Policies

The Contractor will carry, pay for and keep in force during the term of this Agreement and any extension thereof, in companies licensed to do business in Illinois, insurance coverage meeting or exceeding the following coverage amounts and types:

Comprehensive General Liability

- | | | |
|------|-----------------|------------------------------------------------------|
| (i) | Bodily Injury | \$5,000,000 each occurrence
\$5,000,000 aggregate |
| (ii) | Property Damage | \$5,000,000 each occurrence
\$5,000,000 aggregate |

Umbrella Coverage

An additional Five Million Dollar (\$5,000,000.00) general liability umbrella coverage policy.

Workers' Compensation

Contractor shall maintain at all times during the term of the Agreement, Workers' Compensation not less than the statutory minimum and Employer's Liability Insurance not less than \$500,000 per occurrence for all of its employees in strict compliance with state law and shall be solely responsible for accounting for, reporting and paying all costs in connection therewith.

If requested by District, Contractor shall provide a summary of insurance policies evidencing such insurance coverage. All certificates in connection herewith shall be furnished to District prior to start of the Agreement Term. Such insurance shall name the District as an additional insured and shall insure members of the District's Board of Education, officers, employees and agents in all of their official capacities, and other persons, firms or corporation as the District from

time to time may direct for claims arising out of performance of this contract. The Contractor's insurance coverage is considered primary to any other collectable insurance. Contractual liability shall be provided under the Comprehensive General Liability policy to include the Hold Harmless Agreement set out in this Agreement. Certificate(s) of insurance shall be provided to the District evidencing these coverages, and must include requirement(s) whereby District is provided thirty-day written pre-cancellation notice of the policy/policies required hereunder.

B. Indemnification and Hold Harmless Agreement

The Contractor agrees to indemnify, hold harmless, and defend the District, members of its Board of Education, its officers and employees, officers, employees, agents and volunteers of the District against all suits, actions, legal proceedings, claims, and demands, and against all damages, loss, costs and expenses, including attorney fees, in any manner caused by, arising from, incident to, connected with, or growing out of the operation of buses hereunder and the Contractor's performance of this Agreement. The Contractor agrees to indemnify, hold harmless and defend the District, members of the Board of Education, officers, administrators, employees, student teachers and agents thereof against all suits, actions, legal proceedings, claims and demands, and against all damages, loss, cost, expense and attorneys' fees, in any manner caused by, arising from, incidental to, connected with or growing out of the operation of buses under the Pupil Transportation Agreement.

C. Termination

Each insurance company must agree not to terminate their coverage without thirty days written notice to both the District and the Contractor and to include this clause in the insurance policy. In such case of termination, the Contractor will provide evidence of new insurance at the earliest possible date, but not later than ten days prior to the termination of the original policy.

In the event either party is served with notice of any cancellation, proposed cancellation or non-renewal of any of the foregoing insurance coverage, the party receiving such notice shall immediately notify the other party of the receipt of such notice and shall make whatever arrangements are necessary to replace the needed insurance coverage prior to the performance of any additional transportation services.

IX. CONTRACTOR'S COMPENSATION

The Contractor shall be paid in accordance with its bid amount set forth on its Bid Forms.

The Contractor shall bill the District on a monthly basis, in arrears, only for actual services and days of service provided during the month in question, as set forth in greater detail in the Bid Documents.

X. INDEPENDENT CONTRACTOR STATUS

It is understood, acknowledged and agreed by the Parties that the relationship of the Contractor to the District arising out of this Agreement shall be that of an independent contractor. Neither the Contractor nor any employee or agent of the Contractor is an employee or agent of the District and therefore, is not entitled to any benefits provided employees of the District. The Contractor has no authority to employ/retain any person as an employee or agent for or on behalf of the District for any purpose. Neither the Contractor nor any person engaging in any work or services related to the Agreement at the request or with the actual or implied consent of the Contractor may represent himself to others as an employee of the District. Should any person indicate to the Contractor or any employee or agent of the Contractor, by written or oral communication, course of dealing, or otherwise, that such person believes the Contractor to be employee or agent of the District, the Contractor shall use its best efforts to correct such belief. In ordering or accepting delivery of or paying for any goods or services for the location, the Contractor shall do so in the Contractor's own business name and not in the name of the District.

XII. RECORD KEEPING

The Contractor shall keep complete and accurate records of the mileage driven pursuant to this Agreement and of the reports which the Contractor prepares for the District pursuant to this Agreement. The Contractor shall maintain such records as the District will need to verify mileage, including records indicating the number of runs for vehicles used for purposes other than this Agreement, the Contractor's reporting responsibilities, and the Contractor's claim for fees. The Contractor shall provide the District access to such records upon a request by the District.

The District shall have the right to audit the mileage records and examine the reporting records in a manner which does not unreasonably interfere with the conduct of the Contractor's business.

The Contractor shall retain all records required hereunder for a period of three (3) years plus the current year. Such records must be available, for a minimum period of three (3) years from the date of receipt of final payment under the Agreement, for inspection and audit by representatives of the District.

XIII. PUPILS TO BE TRANSPORTED AND OBLIGATIONS:

It is estimated that the District will require transportation for a student body consisting of approximately 425 students (146 of which are eligible for transportation in 2013-2014). It is to be clearly understood that the above figure is an estimate only, and complete reservation is made by the District to increase or decrease the number as needs dictate, as well as adding or deleting locations as needs dictate. By presenting its proposal, the Contractor agrees that final routes shall be established in accordance with the terms of this Agreement and the Bid Documents. The Contractor represents that any student information provided by the District will be kept strictly confidential and only be used for purposes as authorized by the District.

XIV. COMPLIANCE AND CANCELLATION

A. Cancellation and Performance

1. The District may, upon written notice to the Contractor, terminate the Agreement in the event that the Contractor, its agents or employees, at any time fail:
 - a. To comply with any condition of this Agreement.
 - b. Excepting weather conditions, making roads impassable or disasters, strikes or work stoppage are not permissible in the Agreement to operate ninety-five percent (95%) of all routes on schedule;
 - c. To furnish all of the equipment and/or drivers required by the Agreement.
2. The District shall give notice to the Contractor of such failure by delivery of written notice to the Contractor's in-district address. In the event the Contractor does not remedy such failure within ten (10) days from the receipt of such notice by it, then, at the option of the District, this Agreement may be canceled in whole or in part by delivery to the Contractor of written notice of such election.
3. This Agreement may also be terminated prior to its expiration under any of the following circumstances:
 - a. In the event the Contractor shall breach or be in default under the insurance provisions of this Agreement, the District may terminate the Agreement immediately without affording the Contractor an opportunity to cure the breach or default, upon written notice to the Contractor.
 - b. In the event the Contractor shall have (1) filed a voluntary petition in bankruptcy or made an assignment for benefit of creditors; (2) consented to the appointment of a receiver or trustee of all or part of its property; or (3) an involuntary petition in bankruptcy shall

have been filed in regard to the Contractor and the petition shall not have been dismissed within ten (10) days of such filing, the Agreement shall automatically terminate.

- c. Should the Contractor abandon or neglect the service, or if at any time the District is convinced that the service is unreasonable or that the conditions of the Agreement are being violated, executed carelessly, or in bad faith, he may notify the Contractor in writing, then, and in that case, the Contractor shall discontinue all work under the Agreement and the District shall have full authority to make arrangements for the reassignment of the Agreement.

4. In the event of cancellation as set forth above, Contractor shall remain liable to the District for any cost for student transportation in excess of the cost that would have become payment to the Contractor had the Contractor not been canceled. Such liability shall continue to the end of the contractual period. Claims for payments relating to such liability may (at District's election) be made from the Performance Bond herein before mentioned, if same has been requested by District.

5. The District shall be entitled to recover reasonable attorney's fees and costs of suit in the event legal action becomes necessary to enforce any of the terms and provisions of this Agreement.

B. Failure to Operate a Route, or Portion Thereof, in Compliance with the Agreement

In addition to the Cancellation and Performance provisions set forth above, in the event the District finds the Contractor in non-compliance with the relevant provisions of this Agreement, on a route, run or series of runs, the Contractor shall forfeit the right to collect payment for all such deficient service. Further, the District shall have the right to assign the route or routes to another party. Deficient service charges shall be calculated at the applicable daily per-route charges set forth in Contractor's Bid Forms.

In the event of an interruption in bus transportation for more than two (2) days, the District may secure such other transportation as it may see fit and deduct the cost thereof from monies due the Contractor upon this Agreement.

C. Non-Renewal/Renewal

This Agreement is effective upon its full execution for and shall remain in force for the duration of the term identified above, subject to the provisions for termination of the Agreement contained herein. Additionally, and in the event this is a multi-year Agreement, the District may also terminate the Agreement FOR CAUSE prior to the beginning of the second and third years of the Agreement by notifying the Contractor in writing 30 days prior to the year in which the termination is to occur. Service of such notice to terminate shall be by certified

mail, return receipt requested, to the Contractor at the Contractor's address and it shall be deemed served on the date of mailing.

The District may renew the Agreement for additional terms in accordance with the laws of the State of Illinois, if agreed to by the District and the Contractor. The renewed agreement shall contain the same provisions as the previous agreement unless revised in writing by the District and the Contractor.

XV. NOTICES

Any notices sent pursuant to this Agreement shall be delivered in person or by certified mail, return receipt requested, to the District, addressed as follows:

**Stephanie Mulholland, Superintendent
Steeleville Community Unit School District #138
609 South Sparta Street
Steeleville, IL 62288**

Such notices shall also be deemed served on the date of mailing.

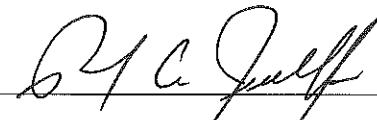
XVI. ADDITIONAL AND MISCELLANEOUS PROVISIONS

- A. The Agreement specifically incorporates the terms and conditions of the Bid Documents and all exhibits attached hereto and incorporated herein by this reference.
- B. By submission of a proposal and by executing this Agreement, the Contractor indicates and represents that it is fully informed as to the extent and character of the service and materials required and can offer the services and materials satisfactorily in compliance with the bid specifications. The items and criteria set forth therein are minimal standards and statements, and are incorporated herein by this reference.
- C. If requested by District, on or before August 1, 2014, and on or before June 1 of each succeeding school year (if any) during the term of this Agreement, the Contractor shall furnish to the District an annual contractor's performance bond as set forth in the Bid Documents.
- D. The District recognizes that the Contractor is an expert in the manner in which the work under this Agreement is to be performed, and expects the Contractor to perform all work in accordance with the standards required by such expertise.
- E. The Contractor shall have no authority or power to sell, transfer or assign this Agreement or any interest therein, nor any power or authority to permit any other person or party to have any interest or use any part of the District's property covered by the Agreement, for any purpose whatsoever, without the prior written consent of the District, it being the

intention of this Agreement to grant the right and privilege solely to the Contractor and neither directly or indirectly to any other party.

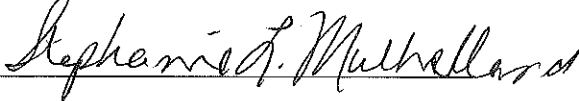
- F. The waiver by the District of any breach or default under any provision of this Agreement shall not be deemed to constitute a waiver of such provision for any subsequent breach or default of the same or any other provision. The disbursement or acceptance of any payment by the District shall not be deemed to constitute a waiver of any prior occurring breach or default by the Contractor of any provision of the Agreement regardless of the knowledge of the District of such breach or default at the time of its disbursement or acceptance of such payment.
- G. The current (2013-2014) route information is attached hereto, incorporated herein by this reference, and made a part of this Agreement for informational purposes.
- H. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and venue for any lawsuits shall be in the State of Illinois courts, Randolph County, Illinois.
- I. The validity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.
- J. This Agreement may be signed upon any number of counterparts with the same effect as if the signatures to each were upon the same Agreement.
- K. Upon Contractor's receipt of 24-hour prior request from District, Contractor shall provide District with additional transportation services (extracurricular activities, etc.) on an hourly/mileage basis, as per the charges delineated in Contractor's Bid Forms. This Agreement's terms applicable to equipment, drivers, insurance, duty of care and all other provisions shall apply to services obtained by District under the Mandatory Alternate sections of the Bid Forms and the Bid Package.

CONTRACTOR

BY: 
DATED: 7/22/14

BOARD OF EDUCATION

STEELEVILLE UNIT SCHOOL DISTRICT #138

BY: 
DATED: 7-21-14

ATTEST: 
Board President