

**CONTRACT FOR SNOHOMISH SCHOOL DISTRICT #201
STUDENT TRANSPORTATION SERVICES
2020/2021 SCHOOL YEAR**

This Contract is made and entered into between Harlow's School Bus Service, Inc., a North Dakota corporation with offices at 1215 West Valley, Auburn, WA, 98001, Office 253.939.7700 (hereinafter referred to as "Harlow's" or "Contractor") and Snohomish School District #201, 1601 Avenue D, Snohomish, WA, 98290, Office 360.563.3525 (hereinafter referred to as "SSD").

1. Contract Term

This Contract shall commence on the date that this Contract is fully executed under authorization granted by the SSD Board at its meeting and be effective July 1, 2021 to extend through June 30, 2022. This contract includes the current academic year 2021/2022 unless earlier terminated, as provided herein.

2. Termination

Contractor may terminate this contract by written notice of termination in the event SSD fails to perform any obligation of SSD under this contract. Contractor will continue to provide transportation services no more than ninety (90) days from the date of the written notice of termination to SSD. SSD agrees to pay Contractor for transportation services under the payment schedule of this contract through the last day transportation services are provided by Contractor.

SSD may terminate this contract with ninety (90) days written notice of termination if any issue is brought to the Contractor and resolution of that issue cannot be agreed upon between SSD and Contractor in a timely manner or if SSD needs to discontinue service.

3. Insurance

Contractor will be required to furnish, prior to the signing of the contract, one million dollars (\$1,000,000) single limit for bodily injury and property damage liability as well an additional nine million dollars (\$9,000,000) umbrella policy (or as mutually agreed upon) and such other insurance as required by the state of Washington, if any. The policy shall name SSD as an additional insured and provide that such coverage may not be cancelled or materially changed without thirty (30) days prior written notice to SSD.

SSD is the primary provider for insurance on any school district owned assets that Contractor operates.

4. Assignability

Contractor shall not assign or transfer all or any part of its interest in the contract without the written approval of SSD.

5. Force Majeure

In the event that Contractor shall fail at any time to provide transportation herein agreed to be provided solely and by reason of extreme weather conditions or impassable road conditions, act of God, fire, riots, war, picketing civil commotions or unavailability of fuel, such failure on the part of the Contractor shall not be deemed a breach of the Contract. The determination as to whether road conditions are such as to make it unsafe to transport pupils shall be made by SSD.

6. General Management

At the present time, SSD is contracting up to fifteen (15) General Transportation route drivers with the option to increase additional General Transportation route drivers based on availability. Contractor will work with SSD to provide at-least three (3) dedicated General Transportation Drivers by August 23, 2021 (or mutually agreed upon). Drivers will operate per approved SSD calendar through June 30, 2022 (180 days). The Contractor shall provide professional driver(s) to operate school buses for SSD as available. Contractor's designated supervisor shall be readily available for contact by SSD representatives to address issues or concerns that arise during the school year.

SSD will provide the contractor a forty-eight (48) hour notice requesting additional drivers which would be utilized on an as needed daily basis. Based on availability.

If SSD needs to reduce the amount of contracted General Transportation routes, SSD agrees to provide a thirty (30) school calendar days' notice. Both parties agree to work through said plan collaboratively.

SSD shall provide all: buses, maintenance, fuel and insurance if or when Harlow's operates any SSD owned asset(s).

Rider discipline exercised by the Contractor will be guided by the SSD transportation conduct policy. SSD transportation may choose to observe a route periodically or as needed at their discretion.

7. Routes

All students whose parents enroll in the SSD transportation program and who are eligible for school bus transportation from SSD will receive bus transportation services. Due to safety concerns, any non-eligible rider will be reported to the transportation department administration.

SSD's representative, shall provide established routes and pickup points to be transported. Time schedules and routes will be arranged and adjusted as necessary by SSD. The SSD's representative will designate bus loading and unloading zones at school. Reasonable and infrequent late arrivals or departures resulting from unexpected traffic delays and mechanical failure will not be considered a breach of contract.

Contractor will attempt to maintain an accurate record of miles per bus per route, per day, for General School Transportation, as well as for Field Trips, for calculating any changes in fuel escalation payments to Contractor. The contractor will attempt to maintain accurate record of students at each scheduled pick-up and drop-off, per bus route, per day, for General School Transportation.

The Contractor will be responsible for cleaning and disinfecting the bus at a minimum of once daily or per SSD's protocols.

8. Vehicle and Maintenance Requirements

Contractor will provide and maintain at Contractor's expense buses to be used by Contractor to perform additional services if needed. Contractor will maintain the insurances on its buses pursuant to Section 3, above. All school buses shall be DOT certified, comply with Washington State specifications and registrations. All route buses will be equipped with a two-way radio system (or another form of communication) and a digital camera system (initial two camera lens provided by Contractor).

Fuel for Harlow's owned buses used to perform this contract will be paid for by Contractor and reimbursed to Contractor pursuant to the Fuel Escalation Clause, Section 12, and the Fees and Expenses, Section 11.

SSD shall provide all: buses, maintenance, fuel and insurance if or when Harlow's operates any SSD owned asset(s).

9. Driver Requirements

Qualifications: Only drivers who hold the appropriate license and endorsements as well sustain a US DOT Medical Examiners Certificate will operate the Contractor's or SSD's vehicles. All drivers must pass a national criminal background check (HireRite) which includes fingerprinting as well as annual motor vehicle record (MVR) check.

Contractor will conduct driver training which shall not be less than twelve (12) hours per year (or as required).

Contractor performs all pre-employment drug screening to include FMCSA random drug screens.

Contractor will be subject to SSD's testing for cause or reasonable suspicion.

10. Activities and Field Trips

Contractor agrees to provide a driver and/or a bus & driver on an as needed basis.

11. Fees And Expenses

Invoice and Payment Terms: Contractor will invoice on a semi-monthly basis (15th and end of the month) for services provided under this Contract. All invoices should be sent to SSD by email or as set forth in the Notices provision, Section 24. Payment from SSD is due and payable within Thirty (30) days of receipt of invoice.

Fees: The fees for Contractor's services under this Contract (the "Fees") will be pursuant to the following payment schedule, subject to the Fuel Escalation Clause, Cost of Living Escalator and Government/ School Mandates provisions, Sections 12, 14 and 15 respectively:

SSD Owned Assets:

General School Transportation

Cost Per School Driver, Per Day, Eight (8) Hour Minimum:	\$599.84
Overage Cost, Per Hour in Fifteen (15) Minute Increments:	\$ 74.98/ Hour

Pre-Service / Orientation Training

Route Drivers will Complete SSD Training and be Invoiced in Fifteen (15) Minute Increments:	\$ 74.98/ Hour
▪ Estimated 2 Hours Each: Dry Runs Per Route or Other	

Harlow's Owned Assets:

General School Transportation

Cost Per School Bus, Per Day, Four (4) Hour Minimum:	\$459.92
Overage Cost, Per Hour in Fifteen (15) Minute Increments:	\$114.98/ Hour

School Field Trips and Activity Transportation

Cost Per School Bus, Two (2) Hour Minimum:	\$229.96
Overage Cost, Per Hour in Fifteen (15) Minute Increments:	\$114.98/ Hour

If any state and local fees surface that neither party is aware of these items will be paid by SSD.

Harlow's is providing professional drivers who are certified to work in Washington State. If Snohomish School District permanently hires a driver(s) from Harlow's within 12 months of this contract expiration date, Snohomish School District will compensate Harlow's \$24,500 per driver(s).

Cancellation Fees Due To School Closure: For each day that scheduled transportation is cancelled, meaning that school buses do not provide scheduled transportation services due to an unplanned school closure for weather or power outage, School District shall pay Contractor seventy five percent (75%) of the cost for the transportation services scheduled for that day, provided that Contractor shall give an equal credit against the cost of transportation services provided by Contractor for make-up days added in the same school year where transportation is provided.

12. Fuel Escalation Clause

Contractor and SSD acknowledge that the price and fluctuations in price of fuel have a direct impact on the cost of transportation and on the total compensation to be paid to Contractor under this Contract. For all fuel (gas, propane or diesel) purchased by Contractor for this Contract, the price paid per mile shall be adjusted effective the first day of the month following a change in the actual cost of fuel purchased by Contractor.

For transportation, the price per mile per bus per route shall be calculated and provided to SSD. Thereafter, an adjustment of one cent per mile shall be made for each five cent per gallon increase or decrease in the cost of fuel (gas, propane or diesel floor of \$3.00 per gallon). The Contractor shall submit to SSD each month the number of miles driven in the preceding month with a calculation of increased cost of fuel incurred if any during the preceding month for each bus for each route. The base price for purposes of this calculation shall be established at \$3.00 per gallon for fuel, the maximum decrease in fuel escalation cost will not exceed the established rate per gallon (no credit will be awarded). Receipts indicating the most recent cost paid by Contractor for fuel purchases shall be submitted monthly to substantiate the adjustment.

13. Option to Renew

SSD and Contractor agree to meet by May 20, 2022, to renegotiate any extended time and rates to this Contract. This Contract may be renewed for an additional term up to five (5) years, or as mutually agreed.

14. Cost of Living Escalator

NA

15. Complying with Government and/or School Mandates

If during the term of the contract there are any federal, state or local mandates: (a) requiring modification of Contractor's equipment or vehicles used to perform the contract, or, (b) which result in an increase in the business/operational cost of the Contractor during any one school contract year, then SSD and the Contractor will negotiate to determine which party will bear the cost of complying with such mandate(s), including the cost of implementing any mandate(s), and the Contractor's rate of payment(s) for services to SSD during the remainder of the contract term. If SSD and Contractor are unable to agree on a price adjustment to the contract due to such mandate(s), then either SSD or Contractor may terminate this contract with one hundred and twenty (120) days written notice to the other. In the event no agreement can be reached, SSD and Contractor agree to cooperate to transition transportation services back to SSD, SSD agrees to pay

Contractor at the rates otherwise set forth herein until the transition is complete, and neither SSD or Contractor will make a claim against the either for not completing the term of this contract.

The contract amounts may be adjusted by negotiation between Contractor and the School Board if mandatory employee health insurance is required by the federal government.

After the signing of this agreement, in the event of new laws, rules and regulations as required by State or Federal jurisdictions or in the event of exorbitant operational increases that would place new demands on the Contractor and would substantially increase the cost of this agreement, the Contractor has the right to renegotiate this agreement. The scope of renegotiations would be limited to the reasons specified in this paragraph.

16. Indemnification

Contractor agrees to indemnify and hold SSD, its governing board, officers, employees harmless and promises to defend same from all claims or damage, penalties of any kind related to the operation and maintenance of the buses or any obligations under this contract.

SSD agrees to indemnify, defend and hold harmless Contractor, and all of its affiliated and related entities and governing board, officers, directors, employees, successors and assigns, attorneys, insurers, and representatives, individually and in their official capacity, from any and all claims, actions, damages and liability, including the cost of investigation, litigation expenses, appeal costs and attorney's fees, to the extent resulting from any claims or suits which result from any negligent or intentional action or omission of SSD and/or SSD's affiliates and related entities, employees, agents or representatives arising out of or relating to TSD performance or failure to perform any of its obligations under this Contract.

17. Nondisclosure

As used in the Contract, "Confidential Information" means any information disclosed by or relating to a party whether of a technical, business or other nature (including without limitation, all information relating to SSD students transported by Contractor, their families, and the employees of SSD that generally is not known to the public. Each party will not disclose Confidential Information of the other party without the prior written consent of that party, except as required by law. Each party will take all reasonable measures to avoid disclose, dissemination or unauthorized use of Confidential Information provided to it by the other party.

18. Governing Law and Jurisdiction

The parties agree that this contract shall be governed by, constructed under and enforced in accordance with the laws in the State of Washington without regard to the conflicts of law rules of the State of North Dakota. The Parties consent to exclusive jurisdiction and venue of the courts of proper subject matter jurisdiction in Burleigh County, North Dakota for all purposes related to this contract.

19. Arbitration Clause

In the event a dispute shall arise between the parties to this contract, it is hereby agreed that the dispute shall be referred to United States Arbitration and Mediation for arbitration in accordance with United States Arbitration and Mediation Rules of Arbitration. The arbitrator's decision shall be final and binding and judgment may be entered thereon. In the event a party fails to proceed with arbitration, unsuccessfully challenges the arbitrator's award, or fails to comply with arbitrator's award, the other party is entitled of costs of suit including a reasonable attorney's fee for having to compel arbitration or defend or enforce the award.

20. Relationship of Parties

This Contract is not intended and shall not be construed to create an agency, partnership, joint venture, employment or franchise relationship between SSD and Contractor. The Contractor will not represent or hold itself out to be part of SSD or a partner or agent of SSD. The contractor shall not enter into any agreement on SSD's behalf or in SSD's name.

Contractor and SSD agree that the relationship of the Parties under this Contract is that of an independent contractor. Neither Contractor, nor any member, agent, employee, officer or official of Harlow's, shall be held or deemed in any way to be an agent, employee, officer or official of SSD.

21. Severability

If any portion of this Contract shall to any extent be declared unenforceable or illegal by a court of competent jurisdiction, the remainder of this Contract shall not be affected thereby and each portion and provision of this Contract shall be valid and enforceable to the fullest extent permitted by law.

22. Modification

No waiver, alteration or modification of any of the provisions of this contract shall be binding upon any party unless in writing and signed by the authorized representative of the party against whom such waiver, alteration or modification is sought to be enforced. Each such amendment, waiver or discharge will be effective only in the specific instance and for the specific purpose for which given.

23. Entire Contract

This Contract shall constitute the entire contract between the Parties and supersede any prior understandings between the Parties with respect to the subject matter hereof.

24. Notice

All notices, requests, demands, waivers, consents and other communications ("Notices") under this Contract (A) shall be in writing; shall be delivered (1) via hand delivery, (2) by other electronic means, (3) by overnight air courier or (4) by Certified Mail, with return receipt requested; and (B) shall be directed to the party being notified at the following addresses (or at such other addresses as the Parties may designate in writing):

For Contractor:

Harlow's School Bus Service, Inc.
1021 South 23rd Street, Suite A
Bismarck, ND 58504
Attn: Sr. Vice President

For SSD:

Snohomish School District #201
1601 Avenue D
Snohomish, WA 98290
Attn: Tom Laufmann, Executive Director of Business

Notices are deemed received upon receipt given methods listed above.

25. Headings

The headings used in this Contract are for the convenience of the parties and for illustration only, and are not to be used for determining or interpreting any of the rights or obligations herein.

ACCEPTANCE OF AGREEMENT

The signatures below indicate acceptance of the terms and conditions of this Contract as described above. Upon signature, this Contract shall be binding on the Parties. This Contract may be executed in counterparts, each of which shall be deemed an original, which together, shall constitute one and the same Contract. A signed copy of this Contract delivered by e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Contract.

ACCEPTED AND AGREED TO:

HARLOW'S SCHOOL BUS SERVICE, INC.

Signature: Jacob R Iverson

Name: Jacob R Iverson

Title: Sr. Vice President

Date: July 12, 2021

ACCEPTED AND AGREED TO:

SNOHOMISH SCHOOL DISTRICT # 201

Signature: Thomas D. Laupmann

Name: THOMAS D. LAUPMANN

Title: Exec Dir of Bus Serv

Date: 7/20/21

K. K. K. K.
Clerk of the Board

7/29/21
Date

