BIGFORK SCHOOL DISTRICT NO. 38
SCHOOL BUS CONTRACT
Flathead/Lake Counties
Route 10

This agreement made and entered into this 24th day of July, 2019 by and between **T Clock Enterprises, Inc.** residing at **250 Boon Road, Somers**, State of Montana, hereinafter referred to as the Contractor, and School District No. 38 of Flathead/Lake Counties, State of Montana hereinafter referred to as the District.

WITNESSETH:
That the Contractor, for consideration of the payments hereafter to be made to him or her by the District; as hereinafter set forth, specified and provided, does hereby promise and agree to and with the District as follows:

The Contractor, for and during the period beginning with the first day of school 2019, and ending with the last day of school, 2024, shall transport Elementary and High School pupils residing within the Bigfork School District No. 38 to and from school on each day school is in session, over a route of **13** miles (+/-) traveled twice daily, for a total daily route mileage of **26** (+/-) as set forth in Exhibit A.

The District shall pay the Contractor for such transportation for each school year at the annual contract rate as follows:

School Year	Annual Contract Rate
2019-2020	**$42,181.00**
2020-2021	**$43,025.00**
2021-2022	**$43,886.00**
2022-2023	**$44,764.00**
2023-2024	**$45,659.00**

The payment schedule is set forth in Section V.

The Contractor and District hereby further agree to the following terms and conditions:

I. GENERAL SPECIFICATIONS

A. Transportation Director. The Contractor's contact with the District for day to day operational matters shall be through the District's Director of Transportation. Except

where the District Board of Trustees' approval is required, the Director of Transportation shall have full authorization with respect to this contract.

B. Bus Driver. The Contractor will at all times provide a properly certified and competent driver for such bus in accordance with the provisions and requirements of the MCA 20-10-103 and any other applicable law. Such driver must be approved by the District Board of Trustees' and must be a holder of a current School Bus Driver Certificate issued by the Montana Office of Public Instruction and filed with the County Superintendent. The Contractor shall be liable for loss of state reimbursement because of improper driver certification. In case of a loss, a like amount will be withheld from the next contract payment due. If the bus driver is other than the Contractor, then the Contractor shall also maintain Workers Compensation Insurance and provide the District with proof of Workers Compensation Insurance. If the Contractor requests, the District may provide a substitute driver. The Contractor will then reimburse the District for all costs to provide said driver.

C. Contract Supplement. District policies, rules and regulations pertaining to transportation of pupils, eligibility, discipline and driver training, whether currently in effect or as modified by District Board of Trustees' action, shall be considered a part of this contract and the Contractor assents to the provisions of the same. By board of Public Education rule, Standards for School Buses in Montana, it is now law that all certified school bus drivers are required to receive at least ten hours of training annually. Therefore it is the contractor's responsibility to comply with this law. The Transportation Director will schedule meetings or provide alternate options to fulfill this requirement. If a contractor fails to receive ten hours of training each year, it will be a breach of this contract. If additional meetings beyond this requirement are scheduled, the Contractor will be compensated at an hourly rate equal to the Federal Minimum Wage.

II. BUS SPECIFICATIONS

A. Contractor Bus. Transportation shall be furnished by means of a suitable, proper, safe and approved school bus. The school bus and the operation of the school bus are to be provided by the Contractor at his/her sole cost and expense. The school bus and the operations of the school bus shall in all respects fully comply with the provisions, requirements, rules and regulations of the Montana State Highway Patrol, and the Montana State Board of Education which are now in effect or which may hereinafter be enacted permitting the operation of the vehicle as a school bus. The Contractor has agreed to provide a **72** passenger, **Other** body, **1997**, **International** chassis. The size, year and model of bus may be changed only upon prior approval of the District Board of Trustees'. Such approval shall not be unreasonably withheld.

B. Replacement Bus. Upon the prior notification of the Director of Transportation, the use of a replacement bus may be allowed if the above referenced bus in inoperative for

mechanical or safety reasons. However, such replacement bus must be of a sufficient capacity to transport the pupils on the route covered by this contract, and the use of a replacement bus must be of a temporary and short term nature. Use of a replacement bus for more than ten (10) days within any thirty (30) day period (inclusive of weekends) shall require approval of the District Board of Trustee's. Furthermore, the replacement bus so used must have a current and valid Montana Highway Patrol inspection sticker and must meet all the requirements and conditions set forth in this contract for the operation of a school bus including but not limited to all the provisions set forth in this Section of this contract.

C. Bus Breakdown. If the Contractor's bus is not available for service for any reason whatsoever, or breaks down during the route and the Contractor cannot provide alternative transportation and the District incurs any costs to transport the students normally transported by the Contractor, such costs shall be deducted from the Contractor's next monthly contract payment.

D. OPI Bus Standards. The school bus provided and operated by the Contractor shall meet or exceed the requirements prescribed by the Office of Public Instruction in the publication entitled *Minimum Standards for School Buses in Montana* including any amendments made to those standards.

E. State Bus Inspections. The school bus provided and operated by the Contractor is subject to inspection by the Montana Highway Patrol as prescribed by Montana Vehicle Code Section 32-21-155.1. The Contractor will cooperate fully during said inspection and shall comply with any recommendations resulting from such inspection at his/her sole cost and expense.

F. Bus Self Inspections. The Contractor shall provide a certified statement that the items listed below have been inspected by contractor or a qualified mechanic and any existing deficiencies must be corrected at the Contractor's sole cost and expense. This will be done annually, prior to the beginning of each school year.

1. STEERING
   a. Steering gear
   b. Pitman arm
   c. Tie Rods
   d. Drag link
   e. Idler lever
   f. King pins

2. WHEELS AND TIRES
   a. Tread wear
   b. Wheel defects
   c. Wheel nut torque

3. BRAKE SYSTEM
   a. Brake linings
   b. Hoses
   c. Brake lines
   d. Drums/Disks
   e. Fluid levels/compressor
   f. Park brake

4. EXHAUST SYSTEM
   a. Tailpipes
   b. Exhaust pipes
   c. Mufflers
   d. Hanger brackets
   e. Connections
5. FUEL SYSTEM LEAKS
6. FRONT AND REAR SUSPENSION
7. ENGINE MOUNTS

G. Federal Bus Inspections. The Contractor acknowledges that it is the policy of the District to have all buses inspected, at least annually by the Federal Department of Transportation or by a certified DOT inspection facility. Additionally, at the District Board of Trustees' sole discretion, the District may employ a person with experience in bus operation to make periodic inspections of the buses and any other inspection deemed necessary by the Director of Transportation. The Contractor is required to make his or her bus available for these inspections as scheduled. Contractors may be present during the inspection. Any deficiencies noted by such inspection shall be corrected immediately at the Contractor's sole cost and expense.

H. Bus Defects. The Contractor's bus shall not be used on any District route when a deficiency from any and all of the inspections mentioned heretofore still exists.

I. Bus Fuel Conversion. If the Contractor wishes to convert to a different type of fuel, he or she must notify the District prior to the conversion. Fuel conversions are considered to be a major conversion to a school bus and must be approved the Office of Public Instruction and the Montana Highway Patrol Bureau. All conversions must meet *Minimum Standards for School Buses in Montana* and any other applicable regulations.

J. District Equipment Added. Any equipment added to the bus which is provided and installed by the District shall remain the property of the District and shall be removed and returned to the District upon termination of this contract. The cost of removing such equipment shall be paid by the District.

III. Indemnification & Insurance

A. Indemnification. The Contractor shall indemnify and hold harmless the District from any losses, costs, damages, or expenses arising out of any accident or other occurrence causing injury or damage to any person or to the property of any person done directly or indirectly to the operations of the Contractor.

B. Insurance Coverage. The Contractor will carry motor vehicle liability (bodily injury) and motor vehicle liability (property damage) with limits of the following or more:

1. Motor Vehicle Liability (bodily injury)
   a. Each person $1,000,000.00
   b. Each occurrence $1,000,000.00
2. Motor Vehicle Liability (property damage).
   Each occurrence $100,000.00

C. Proof of Insurance. The Contractor will furnish the District with proof of insurance naming the District as an additional insured. Failure to provide proof of insurance or to keep insurance in effect will terminate this contract at the option of the District.

D. Workers Compensation Insurance. The Contractor shall maintain Workers Compensation Insurance and provide the District with proof of such coverage or a Montana State Exemption. Failure to provide proof of insurance or exemption will terminate this contract at the option of the District.

IV. ROUTE SPECIFICATIONS

A. Route Driving Days. The Contractor shall operate and drive the bus over the route or routes hereinafter specified in Exhibit A for 180 pupil instruction days, not to exceed 181 driving days. For any days driven over 181 days, the Contractor shall be paid at the daily rate of this contract. The daily rate shall be computed by dividing the annual contract rate then in effect by 181 days. For example, an annual contract rate of $9050.00 would equal a daily rate of $50.00 (9050.00 / 181 days). If the school year is changed by law so that buses operate less than 181 days, monthly payments will be reduced using the same formula.

B. Route Changes. In the event it becomes desirable to change the route, the District reserves the right to change said route, subject to approval of the District Board of Trustees' and the County Transportation Committee. The contract rate shall be adjusted to reflect any increase or decrease in mileage resulting from a route change. Should a change be made, the contract rate shall be adjusted as set forth below. For route changes of 15% or less (cumulative of all changes during the term of this contract) of the original total daily route mileage, the increase or decrease in contract rate shall be computed at one-half (1/2) the per mile rate of this contract. The per mile rate shall be computed by dividing the daily rate of this contract as defined in Section IV (A) by the total daily route mileage specified in Exhibit A of this contract. For example, if the daily contract was $50.00 and the original route mileage was 50 miles, the per mile rate

would be $1.00 ($50.00 divided by 50 miles) and the increase or decrease in the contract rate would be computed at $.50 per mile (1/2 of the per mile rate). The contract rate change for route changes that result in an increase or decrease of more than 15% of the original total daily route mileage shall be mutually agreed upon by the Contractor and the District.

C. Route Zones. When two or more Contractors traverse the same stretch of road, the Director of Transportation shall determine which Contractor shall pick up in each "zone". However, student pick-up points shall be determined by the Contractor, subject to change by the Director of Transportation for safety reasons or considerations.

D. Route Scheduling. Weather and safety permitting, the Contractor shall schedule his/her route so that students arrive on campus each school day before the start of the first class. Contractor shall arrive on campus to pick up students at the end of each school day before the end of the last class period. These times may be set/changed as deemed reasonable by the Director of Transportation.

E. Route Safety Concerns. Contractor shall immediately or as soon as possible upon completion of the daily route, report all safety concerns regarding the route to the Director of Transportation.

V. PAYMENT SPECIFICATIONS

A. Monthly Payments. Payment of each annual rate shall be made by the District in ten (10) installments per school year. Installments one (1) through nine (9) shall each be computed at 10.6% of the annual contract rate and shall be paid to the Contractor on the last working day of each month beginning in September of each year and ending in May of each year. The tenth (10th) installment shall be computed at 4.6% of the annual contract rate and shall be paid to the Contractor on the last day of school in June of each year. Payment shall be by a District warrant or warrants which shall be received and shall be accepted by the Contractor at face value and without discount.

B. Fuel Fluctuation Payments. It is recognized by the Contractor and the District that the price of fuel may fluctuate during the contract period and that such changes in price cannot be determined in advance. Therefore additional compensation shall be paid to the Contractor for any increases in the price of fuel. The additional compensation shall be computed, on a monthly basis, as set forth below using the computational factors stated. However, the actual payment of the additional compensation to the Contractor shall be made only in January and June of each contract year. The amount of the payment due each January, and June shall be based on a summation of the monthly computations.

1. Computational Factors:

    a) Base cost of fuel ("BCF"): $1.00

b) Fuel mileage ("FM") in Miles Per Gallon: 8.00

c) Total daily route mileage ("RM") as set forth in Exhibit A as adjusted for any route changes.

d) Monthly average fuel price ("MAFP") shall be the average of the average monthly fuel prices charged by at least two Bigfork area fuel supplier, net of any applicable tax credits available to the Contractor (Note: Therefore, fuel prices will be adjusted downward, to reflect any federal, state or local taxes included in the fuel prices which is refundable, in any manner, to the Contractor).

e) Driving Days: 181

2. Calculation of semi-annual Contractor's compensation for fuel price changes shall be computed monthly as follows:

a) The Base Cost of Fuel ("BCF") will be subtracted from the Monthly Average Fuel Price ("MAFP") to arrive at a Fuel Price Differential ("FPD").

b) Fuel usage ("FU") will be calculated by dividing the total daily route mileage ("RM") by the Fuel Mileage ("FM") which is then multiplied by the number of driving days in the month.

c) The Fuel Price Differential ("FPD") is then multiplied by the fuel usage ("FU") in gallons. This positive number reflects compensation to the Contractor.

d) The additional compensation due the Contractor is then the summation of the monthly computations. The January payment shall be for the months of August through December, and the June payment shall be for the months of January through June.

3. Fuel fluctuation payments with respect to any change in type of fuel as may be allowed under Section II. (I), will be adjusted according to revised computational factors as agreed upon by the District and the Contractor.

VI. CONTRACT RELIEF

A. Contract Cancellation. This contract may be canceled under the following conditions:

1. If the Contractor is not providing safe, consistent, reliable service, or is not in compliance with any of the provisions of this contract (subject to notice and reasonable time to cure, as may be appropriate for the specific situation) or does not

comply with the instructions or directions of the Director of Transportation as he/she is authorized to issue under this contract, then this contract may be terminated immediately by a vote of the District Board of Trustees. If this contract is canceled pursuant to this section, the Contractor shall be entitled to compensation only for the services performed up to the date of such termination.

2. If there is a decrease in pupil enrollment or if there is otherwise a reduction in the number of pupils who are entitled to school bus transportation under the laws of the State of Montana, so the number of pupils receiving service herein decreases to the point that such service is no longer required, the District may terminate this contract by giving written notice to the Contractor at least thirty (30) days prior to the effective date of such termination. Notice shall be deemed given upon mailing a certified letter to the Contractor at his address specified herein. The District shall pay to the Contractor additional compensation beyond that earned to the date of termination of such service equal to 33 1/3% of the annual contract amount then in effect.

3. If the District is forced to discontinue all transportation due to a lack of funding, the District will not be obligated to continue monthly payments. However, if and when funding becomes available to restore the transportation system, the Contractor will be given the option of continuing his/her contract.

B. School Closure. Should the schools be closed for any cause whatsoever, the District shall not be liable for payment for service under the contract during the periods of such closing. The contract rate for any reduction in service as a result of a school closure shall be computed as set forth in Section IV of this contract.

C. Contract Assignment. This contract and agreement shall not be transferred and assigned by the Contractor except with the written approval and consent of the Board of Trustees' of the District.

D. Contract Dispute. If a dispute should develop while this contract is still in force, the Contractor will continue to operate until the dispute is resolved and shall be compensated at the rate which was in effect immediately before such dispute arose.

Exhibit A

Route Description

Owner: **T Clock Enterprises**
Driver: **Thad Clock**

School Bus Identification
Body Make: **Other** Year: **1997** Chassis: **International**
Capacity: **72** VIN: **1HVBGAAP7VA079281** License: **7-48569A**

Route:
Begins at Bigfork School, south on Hwy 35 to Highway 209; turns east and proceeds to Ferndale Market then on to North Ferndale Drive; goes north on North Ferndale Drive, turns on Aero Lane to Eastman Loop and back to Highway 209, to Highway 35, and back to Bigfork School.

Total Mileage: 26 Miles per day

In Witness Whereof the said Contractor has signed his name hereto and the said District has caused its name to be hereunto subscribed by the Chairman of its Board of Trustees' and attested by its Clerk this 24th day of July, 2019.

_____ _____

Witness for the Contractor(s) Contractor

_____

Contractor

Attest: _____ School District No. 38
Flathead/Lake Counties

By: _____
Chairman

BIGFORK SCHOOL DISTRICT NO. 38
SCHOOL BUS CONTRACT
Flathead/Lake Counties
Route 13

This agreement made and entered into this 24th day of **July, 2019** by and between **T Clock Enterprises, Inc.** residing at **250 Boon Road, Somers**, in the State of Montana, hereinafter referred to as the Contractor, and School District No. 38 of Flathead/Lake Counties, State of Montana hereinafter referred to as the District.

WITNESSETH:
That the Contractor, for consideration of the payments hereafter to be made to him or her by the District; as hereinafter set forth, specified and provided, does hereby promise and agree to and with the District as follows:

The Contractor, for and during the period beginning with the first day of school 2019, and ending with the last day of school, 2024, shall transport Elementary and High School pupils residing within the Bigfork School District No. 38 to and from school on each day school is in session, over a route of **22.5** miles (+/-) traveled twice daily, for a total daily route mileage of **45** (+/-) as set forth in Exhibit A.

The District shall pay the Contractor for such transportation for each school year at the annual contract rate as follows.

School Year	Annual Contract Rate
2019-2020	$45,004.00
2020-2021	$45,904.00
2021-2022	$46,822.00
2022-2023	$47,758.00
2023-2024	$48,713.00

The payment schedule is set forth in Section V.

The Contractor and District hereby further agree to the following terms and conditions:

I. GENERAL SPECIFICATIONS

A. Transportation Director. The Contractor's contact with the District for day to day operational matters shall be through the District's Director of Transportation. Except

where the District Board of Trustees' approval is required, the Director of Transportation shall have full authorization with respect to this contract.

B. Bus Driver. The Contractor will at all times provide a properly certified and competent driver for such bus in accordance with the provisions and requirements of the MCA 20-10-103 and any other applicable law. Such driver must be approved by the District Board of Trustees' and must be a holder of a current School Bus Driver Certificate issued by the Montana Office of Public Instruction and filed with the County Superintendent. The Contractor shall be liable for loss of state reimbursement because of improper driver certification. In case of a loss, a like amount will be withheld from the next contract payment due. If the bus driver is other than the Contractor, then the Contractor shall also maintain Workers Compensation Insurance and provide the District with proof of Workers Compensation Insurance. If the Contractor requests, the District may provide a substitute driver. The Contractor will then reimburse the District for all costs to provide said driver.

C. Contract Supplement. District policies, rules and regulations pertaining to transportation of pupils, eligibility, discipline and driver training, whether currently in effect or as modified by District Board of Trustees' action, shall be considered a part of this contract and the Contractor assents to the provisions of the same. By board of Public Education rule, Standards for School Buses in Montana, it is now law that all certified school bus drivers are required to receive at least ten hours of training annually. Therefore it is the contractor's responsibility to comply with this law. The Transportation Director will schedule meetings or provide alternate options to fulfill this requirement. If a contractor fails to receive ten hours of training each year, it will be a breach of this contract. If additional meetings beyond this requirement are scheduled, the Contractor will be compensated at an hourly rate equal to the Federal Minimum Wage.

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B. **Blue Bird** chassis. The size, year and model of bus may be changed only upon prior approval of the District Board of Trustees'. Such approval shall not be unreasonably withheld.

C. Replacement Bus. Upon the prior notification of the Director of Transportation, the use of a replacement bus may be allowed if the above referenced bus in inoperative for mechanical or safety reasons. However, such replacement bus must be of a sufficient capacity to transport the pupils on the route covered by this contract, and the use of a replacement bus must be of a temporary and short term nature. Use of a replacement bus for more than ten (10) days within any thirty (30) day period (inclusive of weekends) shall require approval of the District Board of Trustee's. Furthermore, the replacement bus so used must have a current and valid Montana Highway Patrol inspection sticker and must meet all the requirements and conditions set forth in this contract for the operation of a school bus including but not limited to all the provisions set forth in this Section of this contract.

D. Bus Breakdown. If the Contractor's bus is not available for service for any reason whatsoever, or breaks down during the route and the Contractor cannot provide alternative transportation and the District incurs any costs to transport the students normally transported by the Contractor, such costs shall be deducted from the Contractor's next monthly contract payment.

E. OPI Bus Standards. The school bus provided and operated by the Contractor shall meet or exceed the requirements prescribed by the Office of Public Instruction in the publication entitled *Minimum Standards for School Buses in Montana* including any amendments made to those standards.

F. State Bus Inspections. The school bus provided and operated by the Contractor is subject to inspection by the Montana Highway Patrol as prescribed by Montana Vehicle Code Section 32-21-155.1. The Contractor will cooperate fully during said inspection and shall comply with any recommendations resulting from such inspection at his/her sole cost and expense.

G. Bus Self Inspections. The Contractor shall provide a certified statement that the items listed below have been inspected by him or a qualified mechanic and any existing deficiencies must be corrected at the Contractor's sole cost and expense. This will be done annually, prior to the beginning of each school year.

1. STEERING
   a. Steering gear
   b. Pitman arm
   c. Tie Rods
   d. Drag link
   e. Idler lever
   f. King pins

2. WHEELS AND TIRES
   a. Tread wear
   b. Wheel defect

c. Wheel nut torque

3. BRAKE SYSTEM
   a. Brake linings
   b. Hoses
   c. Brake lines
   d. Drums/Disks
   e. Fluid levels/compressor
   f. Parking brake

4. EXHAUST SYSTEM
   a. Tailpipes
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   d. Hanger brackets
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5. FUEL SYSTEM LEAKS
6. FRONT AND REAR SUSPENSION
7. ENGINE MOUNTS

G. Federal Bus Inspections. The Contractor acknowledges that it is the policy of the District to have all buses inspected, at least annually by the Federal Department of Transportation or by a certified DOT inspection facility. Additionally, at the District Board of Trustees' sole discretion, the District may employ a person with experience in bus operation to make periodic inspections of the buses and any other inspection deemed necessary by the Director of Transportation. The Contractor is required to make his or her bus available for these inspections as scheduled. Contractors may be present during the inspection. Any deficiencies noted by such inspection shall be corrected immediately at the Contractor's sole cost and expense.

H. Bus Defects. The Contractor's bus shall not be used on any District route when a deficiency from any and all of the inspections mentioned heretofore still exists.

I. Bus Fuel Conversion. If the Contractor wishes to convert to a different type of fuel, he or she must notify the District prior to the conversion. Fuel conversions are considered to be a major conversion to a school bus and must be approved the Office of Public Instruction and the Montana Highway Patrol Bureau. All conversions must meet *Minimum Standards for School Buses in Montana* and any other applicable regulations.

J. District Equipment Added. Any equipment added to the bus which is provided and installed by the District shall remain the property of the District and shall be removed and returned to the District upon termination of this contract. The cost of removing such equipment shall be paid by the District.

III. Indemnification & Insurance

A. Indemnification. The Contractor shall indemnify and hold harmless the District from any losses, costs, damages, or expenses arising out of any accident or other occurrence causing injury or damage to any person or to the property of any person done directly or indirectly to the operations of the Contractor.

B. Insurance Coverage. The Contractor will carry motor vehicle liability (bodily injury) and motor vehicle liability (property damage) with limits of the following or more:

1. Motor Vehicle Liability (bodily injury)
   a. Each person $1,000,000.00
   b. Each occurrence $1,000,000.00
2. Motor Vehicle Liability (property damage).
   Each occurrence $100,000.00

C. Proof of Insurance. The Contractor will furnish the District with proof of insurance naming the District as an additional insured. Failure to provide proof of insurance or to keep insurance in effect will terminate this contract at the option of the District.

D. Workers Compensation Insurance. The Contractor shall maintain Workers Compensation Insurance and provide the District with proof of such coverage or a Montana State Exemption. Failure to provide proof of insurance or exemption will terminate this contract at the option of the District.

IV. ROUTE SPECIFICATIONS

A. Route Driving Days. The Contractor shall operate and drive the bus over the route or routes hereinafter specified in Exhibit A for 180 pupil instruction days, not to exceed 181 driving days. For any days driven over 181 days, the Contractor shall be paid at the daily rate of this contract. The daily rate shall be computed by dividing the annual contract rate then in effect by 181 days. For example, an annual contract rate of $9050.00 would equal a daily rate of $50.00 (9050.00 / 181 days). If the school year is changed by law so that buses operate less than 181 days, monthly payments will be reduced using the same formula.

B. Route Changes. In the event it becomes desirable to change the route, the District reserves the right to change said route, subject to approval of the District Board of Trustees' and the County Transportation Committee. The contract rate shall be adjusted to reflect any increase or decrease in mileage resulting from a route change. Should a change be made, the contract rate shall be adjusted as set forth below. For route changes of 15% or less (cumulative of all changes during the term of this contract) of the original total daily route mileage, the increase or decrease in contract rate shall be computed at one-half (1/2) the per mile rate of this contract. The per mile rate shall be computed by dividing the daily rate of this contract as defined in Section IV (A) by the

total daily route mileage specified in Exhibit A of this contract. For example, if the daily contract was $50.00 and the original route mileage was 50 miles, the per mile rate would be $1.00 ($50.00 divided by 50 miles) and the increase or decrease in the contract rate would be computed at $.50 per mile (1/2 of the per mile rate). The contract rate change for route changes that result in an increase or decrease of more than 15% of the original total daily route mileage shall be mutually agreed upon by the Contractor and the District.

C. Route Zones. When two or more Contractors traverse the same stretch of road, the Director of Transportation shall determine which Contractor shall pick up in each "zone". However, student pick-up points shall be determined by the Contractor, subject to change by the Director of Transportation for safety reasons or considerations.

D. Route Scheduling. Weather and safety permitting, the Contractor shall schedule his/her route so that students arrive on campus each school day before the start of the first class. Contractor shall arrive on campus to pick up students at the end of each school day before the end of the last class period. These times may be set/changed as deemed reasonable by the Director of Transportation.

E. Route Safety Concerns. Contractor shall immediately or as soon as possible upon completion of the daily route, report all safety concerns regarding the route to the Director of Transportation.

V. PAYMENT SPECIFICATIONS

A. Monthly Payments. Payment of each annual rate shall be made by the District in ten (10) installments per school year. Installments one (1) through nine (9) shall each be computed at 10.6% of the annual contract rate and shall be paid to the Contractor on the last working day of each month beginning in September of each year and ending in May of each year. The tenth (10th) installment shall be computed at 4.6% of the annual contract rate and shall be paid to the Contractor on the last day of school in June of each year. Payment shall be by a District warrant or warrants which shall be received and shall be accepted by the Contractor at face value and without discount.

B. Fuel Fluctuation Payments. It is recognized by the Contractor and the District that the price of fuel may fluctuate during the contract period and that such changes in price cannot be determined in advance. Therefore additional compensation shall be paid to the Contractor for any increases in the price of fuel. The additional compensation shall be computed, on a monthly basis, as set forth below using the computational factors stated. However, the actual payment of the additional compensation to the Contractor shall be made only in January and June of each contract year. The amount of the payment due each January, and June shall be based on a summation of the monthly computations.

1. Computational Factors:

   a) Base cost of fuel ("BCF"): $1.00

   b) Fuel mileage ("FM") in Miles Per Gallon: 8.00

   c) Total daily route mileage ("RM") as set forth in Exhibit A as adjusted for any route changes.

   d) Monthly average fuel price ("MAFP") shall be the average of the average monthly fuel prices charged by at least two Bigfork area fuel supplier, net of any applicable tax credits available to the Contractor (Note: Therefore, fuel prices will be adjusted downward, to reflect any federal, state or local taxes included in the fuel prices which is refundable, in any manner, to the Contractor).

   e) Driving Days: 181

2. Calculation of semi-annual Contractor's compensation for fuel price changes shall be computed monthly as follows:

   a) The Base Cost of Fuel ("BCF") will be subtracted from the Monthly Average Fuel Price ("MAFP") to arrive at a Fuel Price Differential ("FPD").

   b) Fuel usage ("FU") will be calculated by dividing the total daily route mileage ("RM") by the Fuel Mileage ("FM") which is then multiplied by the number of driving days in the month.

   c) The Fuel Price Differential ("FPD") is then multiplied by the fuel usage ("FU") in gallons. This positive number reflects compensation to the Contractor.

   d) The additional compensation due the Contractor is then the summation of the monthly computations. The January payment shall be for the months of August through December, and the June payment shall be for the months of January through June.

3. Fuel fluctuation payments with respect to any change in type of fuel as may be allowed under Section II. (I), will be adjusted according to revised computational factors as agreed upon by the District and the Contractor.

VI. CONTRACT RELIEF

A. Contract Cancellation. This contract may be canceled under the following conditions:

1. If the Contractor is not providing safe, consistent, reliable service, or is not in compliance with any of the provisions of this contract (subject to notice and reasonable time to cure, as may be appropriate for the specific situation) or does not comply with the instructions or directions of the Director of Transportation as he/she is authorized to issue under this contract, then this contract may be terminated immediately by a vote of the District Board of Trustees. If this contract is canceled pursuant to this section, the Contractor shall be entitled to compensation only for the services performed up to the date of such termination.

2. If there is a decrease in pupil enrollment or if there is otherwise a reduction in the number of pupils who are entitled to school bus transportation under the laws of the State of Montana, so the number of pupils receiving service herein decreases to the point that such service is no longer required, the District may terminate this contract by giving written notice to the Contractor at least thirty (30) days prior to the effective date of such termination. Notice shall be deemed given upon mailing a certified letter to the Contractor at his address specified herein. The District shall pay to the Contractor additional compensation beyond that earned to the date of termination of such service equal to 33 1/3% of the annual contract amount then in effect.

3. If the District is forced to discontinue all transportation due to a lack of funding, the District will not be obligated to continue monthly payments. However, if and when funding becomes available to restore the transportation system, the Contractor will be given the option of continuing his/her contract.

B. School Closure. Should the schools be closed for any cause whatsoever, the District shall not be liable for payment for service under the contract during the periods of such closing. The contract rate for any reduction in service as a result of a school closure shall be computed as set forth in Section IV. of this contract.

C. Contract Assignment. This contract and agreement shall not be transferred and assigned by the Contractor except with the written approval and consent of the Board of Trustees' of the District.

D. Contract Dispute. If a dispute should develop while this contract is still in force, the Contractor will continue to operate until the dispute is resolved and shall be compensated at the rate which was in effect immediately before such dispute arose.

Exhibit A

Route Description

Owner: T Clock Enterprises, Inc.
Driver: Edd Blacker

School Bus Identification
Body Make: **Blue Bird** Year: **2006** Chassis: **Blue Bird**
Capacity: 84 VIN: 1BABNBKA36F235049 License: 784047A

Route: : Leave from the school, picking up on Hwy 35 to LaBrant, picking up on LaBrant to Blue Lake turnaround, also including a special Ed student along with the others at this stop, which will require an aide on this bus. The bus will then turn north on Hwy 35 to the turnaround at Fieldstone Estates and picking up on the Hwy back to Coverdell and then Peaceful Acres, and back to the school.

Total Mileage: 45

In Witness Whereof the said Contractor has signed his name hereto and the said District has caused its name to be hereunto subscribed by the Chairman of its Board of Trustees' and attested by its Clerk this 24th day of July, 2019.

Witness for the Contractor(s)

Contractor

Contractor

Attest: School District No. 38
Flathead/Lake Counties

By:
Chairman

BIGFORK SCHOOL DISTRICT NO. 38
SCHOOL BUS CONTRACT
Flathead/Lake Counties
Route 16

This agreement made and entered into this 14th day of June, 2017 by and between **T. J. Thompson** residing at **471 Mt Hwy 83**, Bigfork, State of Montana, hereinafter referred to as the Contractor, and School District No. 38 of Flathead/Lake Counties, State of Montana hereinafter referred to as the District.

WITNESSETH:
That the Contractor, for consideration of the payments hereafter to be made to him or her by the District; as hereinafter set forth, specified and provided, does hereby promise and agree to and with the District as follows:

The Contractor, for and during the period beginning with the first day of school 2017 and ending with the last day of school, 2020, shall transport Elementary and High School pupils residing within the Bigfork School District No. 38 to and from school on each day school is in session, over a route of **43.9** miles (+/-) traveled twice daily, for a total daily route mileage of **87.8**(+/-) as set forth in Exhibit A.

The District shall pay the Contractor for such transportation for each school year at the following annual contract rate.

School Year	Annual Contract Rate
2017-2018	**$57,822**
2018-2019	**$59,557**
2019-2020	**$61,344**

The payment schedule is set forth in Section V.

The Contractor and District hereby further agree to the following terms and conditions:

I. GENERAL SPECIFICATIONS

A. Transportation Director. The Contractor's contact with the District for day to day operational matters shall be through the District's Director of Transportation. Except where the District Board of Trustees' approval is required, the Director of Transportation shall have full authorization with respect to this contract.

B. Bus Driver. The Contractor will at all times provide a properly certified and competent driver for such bus in accordance with the provisions and requirements of the MCA 20-10-103 and any other applicable law. Such driver must be approved by the District Board of Trustees' and must be a holder of a current School Bus Driver Certificate issued by the Montana Office of Public Instruction and filed with the County Superintendent. The Contractor shall be liable for loss of state reimbursement because of improper driver certification. In case of a loss, a like amount will be withheld from the next contract payment due. If the bus driver is other than the Contractor, then the Contractor shall also maintain Workers Compensation Insurance and provide the District with proof of Workers Compensation Insurance. If the Contractor requests, the District may provide a substitute driver. The Contractor will then reimburse the District for all costs to provide said driver.

C. Contract Supplement. District policies, rules and regulations pertaining to transportation of pupils, eligibility, discipline and driver training, whether currently in effect or as modified by District Board of Trustees' action, shall be considered a part of this contract and the Contractor assents to the provisions of the same. By board of Public Education rule, Standards for School Buses in Montana, it is now law that all certified school bus drivers are required to receive at least ten hours of training annually. Therefore it is the contractor's responsibility to comply with this law. The Transportation Director will schedule meetings or provide alternate options to fulfill this requirement. If a contractor fails to receive ten hours of training each year, it will be a breach of this contract. If additional meetings beyond this requirement are scheduled, the Contractor will be compensated at an hourly rate equal to the Federal Minimum Wage.

II. BUS SPECIFICATIONS

A. Contractor Bus. Transportation shall be furnished by means of a suitable, proper, safe and approved school bus. The school bus and the operation of the school bus are to be provided by the Contractor at his/her sole cost and expense. The school bus and the operations of the school bus shall in all respects fully comply with the provisions, requirements, rules and regulations of the Montana State Highway Patrol, and the Montana State Board of Education which are now in effect or which may hereinafter be enacted permitting the operation of the vehicle as a school bus. The Contractor has agreed to provide a **77** passenger, **1996 International** body, **International** chassis. The size, year and model of bus may be changed only upon prior approval of the District Board of Trustees'. Such approval shall not be unreasonably withheld.

B. Replacement Bus. Upon the prior notification of the Director of Transportation, the use of a replacement bus may be allowed if the above referenced bus in inoperative for mechanical or safety reasons. However, such replacement bus must be of a sufficient capacity to transport the pupils on the route covered by this contract, and the use of a replacement bus must be of a temporary and short term nature. Use of a replacement

bus for more than ten (10) days within any thirty (30) day period (inclusive of weekends) shall require approval of the District Board of Trustee's. Furthermore, the replacement bus so used must have a current and valid Montana Highway Patrol inspection sticker and must meet all the requirements and conditions set forth in this contract for the operation of a school bus including but not limited to all the provisions set forth in this Section of this contract.

C. Bus Breakdown. If the Contractor's bus is not available for service for any reason whatsoever, or breaks down during the route and the Contractor cannot provide alternative transportation and the District incurs any costs to transport the students normally transported by the Contractor, such costs shall be deducted from the Contractor's next monthly contract payment.

D. OPI Bus Standards. The school bus provided and operated by the Contractor shall meet or exceed the requirements prescribed by the Office of Public Instruction in the publication entitled *Minimum Standards for School Buses in Montana* including any amendments made to those standards.

E. State Bus Inspections. The school bus provided and operated by the Contractor is subject to inspection by the Montana Highway Patrol as prescribed by Montana Vehicle Code Section 32-21-155.1. The Contractor will cooperate fully during said inspection and shall comply with any recommendations resulting from such inspection at his/her sole cost and expense.

F. Bus Self Inspections. The Contractor shall provide a certified statement that the items listed below have been inspected by a himself or a qualified mechanic and any existing deficiencies must be corrected at the Contractor's sole cost and expense. This will be done annually, prior to the beginning of each school year.

1. STEERING
   a. Steering gear
   b. Pitman arm
   c. Tie Rods
   d. Drag link
   e. Idler lever
   f. King pins

2. WHEELS AND TIRES
   a. Tread wear
   b. Wheel defects
   c. Wheel nut torque

3. BRAKE SYSTEM
   a. Brake linings
   b. Hoses

c. Brake lines
d. Drums/Disks
e. Fluid levels/compressor
f. Park brake

4. EXHAUST SYSTEM
   a. Tailpipes
   b. Exhaust pipes
   c. Mufflers
   d. Hanger brackets
   e. Connections
5. FUEL SYSTEM LEAKS
6. FRONT AND REAR SUSPENSION
7. ENGINE MOUNTS

G. Federal Bus Inspections. The Contractor acknowledges that it is the policy of the District to have all buses inspected, at least annually by the Federal Department of Transportation. Additionally, at the District Board of Trustees' sole discretion, the District may employ a person with experience in bus operation to make periodic inspections of the buses and any other inspection deemed necessary by the Director of Transportation. The Contractor is required to make his or her bus available for these inspections as scheduled. Contractors may be present during the inspection. Any deficiencies noted by such inspection shall be corrected immediately at the Contractor's sole cost and expense.

H. Bus Defects. The Contractor's bus shall not be used on any District route when a deficiency from any and all of the inspections mentioned heretofore still exists.

I. Bus Fuel Conversion. If the Contractor wishes to convert to a different type of fuel, he or she must notify the District prior to the conversion. Fuel conversions are considered to be a major conversion to a school bus and must be approved the Office of Public Instruction and the Montana Highway Patrol Bureau. All conversions must meet *Minimum Standards for School Buses in Montana* and any other applicable regulations.

J. District Equipment Added. Any equipment added to the bus which is provided and installed by the District shall remain the property of the District and shall be removed and returned to the District upon termination of this contract. The cost of removing such equipment shall be paid by the District.

III. Indemnification & Insurance

A. Indemnification. The Contractor shall indemnify and hold harmless the District from any losses, costs, damages, or expenses arising out of any accident or other

occurrence causing injury or damage to any person or to the property of any person done directly or indirectly to the operations of the Contractor.

B. Insurance Coverage. The Contractor will carry motor vehicle liability (bodily injury) and motor vehicle liability (property damage) with limits of the following or more:

1. Motor Vehicle Liability (bodily injury)
   a. Each person $1,000,000.00
   b. Each occurrence $1,000,000.00
2. Motor Vehicle Liability (property damage).
   Each occurrence $100,000.00

C. Proof of Insurance. The Contractor will furnish the District with proof of insurance naming the District as an additional insured. Failure to provide proof of insurance or to keep insurance in effect will terminate this contract at the option of the District.

D. Workers Compensation Insurance. The Contractor shall maintain Workers Compensation Insurance and provide the District with proof of such coverage if required under Section I(B) of this Agreement.

IV. ROUTE SPECIFICATIONS

A. Route Driving Days. The Contractor shall operate and drive the bus over the route or routes hereinafter specified in Exhibit A for 180 pupil instruction days, not to exceed 181 driving days. For any days driven over 181 days, the Contractor shall be paid at the daily rate of this contract. The daily rate shall be computed by dividing the annual contract rate then in effect by 181 days. For example, an annual contract rate of $9050.00 would equal a daily rate of $50.00 (9050.00 / 181 days). If the school year is changed by law so that buses operate less than 181 days, monthly payments will be reduced using the same formula.

B. Route Changes. In the event it becomes desirable to change the route, the District reserves the right to change said route, subject to approval of the District Board of Trustees' and the County Transportation Committee. The contract rate shall be adjusted to reflect any increase or decrease in mileage resulting from a route change. Should a change be made, the contract rate shall be adjusted as set forth below. For route changes of 15% or less (cumulative of all changes during the term of this contract) of the original total daily route mileage, the increase or decrease in contract rate shall be computed at one-half (1/2) the per mile rate of this contract. The per mile rate shall be computed by dividing the daily rate of this contract as defined in Section IV (A) by the total daily route mileage specified in Exhibit A of this contract. For example, if the daily contract was $50.00 and the original route mileage was 50 miles, the per mile rate would be $1.00 ($50.00 divided by 50 miles) and the increase or decrease in the contract rate would be computed at $.50 per mile (1/2 of the per mile rate). The contract rate change for route changes that result in an increase or decrease of more than 15% of the original total daily route mileage shall be mutually agreed upon by the Contractor and the District.

C. Route Zones. When two or more Contractors traverse the same stretch of road, the Director of Transportation shall determine which Contractor shall pick up in each "zone". However, student pick-up points shall be determined by the Contractor , subject to change by the Director of Transportation for safety reasons or considerations.

D. Route Scheduling. Weather and safety permitting, the Contractor shall schedule his/her route so that students arrive on campus each school day before the start of the first class. Contractor shall arrive on campus to pick up students at the end of each school day before the end of the last class period. These times may be set/changed as deemed reasonable by the Director of Transportation.

E. Route Safety Concerns. Contractor shall immediately or as soon as possible upon completion of the daily route, report all safety concerns regarding the route to the Director of Transportation.

V. PAYMENT SPECIFICATIONS

A. Monthly Payments. Payment of each annual rate shall be made by the District in ten (10) installments per school year. Installments one (1) through nine (9) shall each be computed at 10.6% of the annual contract rate and shall be paid to the Contractor on the last working day of each month beginning in September of each year and ending in May of each year. The tenth (10th) installment shall be computed at 4.6% of the annual contract rate and shall be paid to the Contractor on the last day of school in June of each year. Payment shall be by a District warrant or warrants which shall be received and shall be accepted by the Contractor at face value and without discount.

B. Fuel Fluctuation Payments. It is recognized by the Contractor and the District that the price of fuel may fluctuate during the contract period and that such changes in price cannot be determined in advance. Therefore additional compensation shall be paid to the Contractor for any increases in the price of fuel. The additional compensation shall be computed, on a monthly basis, as set forth below using the computational factors stated. However, the actual payment of the additional compensation to the Contractor shall be made only in January and June of each contract year. The amount of the payment due each January, and June shall be based on a summation of the monthly computations.

1. Computational Factors:

   a) Base cost of fuel ("BCF"): $1.00

   b) Fuel mileage ("FM") in Miles Per Gallon: 8.00

   c) Total daily route mileage ("RM") as set forth in Exhibit A as adjusted for any route changes.

d) Monthly average fuel price ("MAFP") shall be the average of the average monthly fuel prices charged by at least two Bigfork area fuel supplier, net of any applicable tax credits available to the Contractor (Note: Therefore, fuel prices will be adjusted downward, to reflect any federal, state or local taxes included in the fuel prices which is refundable, in any manner, to the Contractor).

e) Driving Days: 181

2. Calculation of semi-annual Contractor's compensation for fuel price changes shall be computed monthly as follows:

a) The Base Cost of Fuel ("BCF") will be subtracted from the Monthly Average Fuel Price ("MAFP") to arrive at a Fuel Price Differential ("FPD").

b) Fuel usage ("FU") will be calculated by dividing the total daily route mileage ("RM") by the Fuel Mileage ("FM") which is then multiplied by the number of driving days in the month.

c) The Fuel Price Differential ("FPD") is then multiplied by the fuel usage ("FU") in gallons. This positive number reflects compensation to the Contractor.

d) The additional compensation due the Contractor is then the summation of the monthly computations. The January payment shall be for the months of August through December, and the June payment shall be for the months of January through June.

3. Fuel fluctuation payments with respect to any change in type of fuel as may be allowed under Section II. (I), will be adjusted according to revised computational factors as agreed upon by the District and the Contractor.

VI. CONTRACT RELIEF

A. Contract Cancellation. This contract may be canceled under the following conditions:

1. If the Contractor is not providing safe, consistent, reliable service, or is not in compliance with any of the provisions of this contract (subject to notice and reasonable time to cure, as may be appropriate for the specific situation) or does not comply with the instructions or directions of the Director of Transportation as he/she is authorized to issue under this contract, then this contract may be terminated immediately by a two-thirds (2/3) vote of the full District Board of Trustees'. If this contract is canceled pursuant to this section, the Contractor shall be entitled to compensation only for the services performed up to the date of such termination.

2. If there is a decrease in pupil enrollment or if there is otherwise a reduction in the number of pupils who are entitled to school bus transportation under the laws of the State of Montana, so the number of pupils receiving service herein decreases to the point that such service is no longer required, the District may terminate this contract by giving written notice to the Contractor at least thirty (30) days prior to the effective date of such termination. Notice shall be deemed given upon mailing a certified letter to the Contractor at his address specified herein. The District shall pay to the Contractor additional compensation beyond that earned to the date of termination of such service equal to 33 1/3% of the annual contract amount then in effect.

3. If the District is forced to discontinue all transportation due to a lack of funding, the District will not be obligated to continue monthly payments. However, if and when funding becomes available to restore the transportation system, the Contractor will be given the option of continuing his/her contract.

B. School Closure. Should the schools be closed for any cause whatsoever, the District shall not be liable for payment for service under the contract during the periods of such closing. The contract rate for any reduction in service as a result of a school closure shall be computed as set forth in Section IV. of this contract.

C. Contract Assignment. This contract and agreement shall not be transferred and assigned by the Contractor except with the written approval and consent of the Board of Trustees' of the District which approval will not unreasonably be withheld.

D. Contract Dispute. If a dispute should develop while this contract is still in force, the Contractor will continue to operate until the dispute is resolved and shall be compensated at the rate which was in effect immediately before such dispute arose.

E. Arbitration: In the event of any dispute arising out of this Agreement, which cannot be mutually resolved by the parties, such dispute shall be decided by Settlement Solutions, 210 North Higgins Avenue, Suite 336, P.O. Box 9145, Missoula, Montana 59807,(406) 728-7295, as arbitrator. If such arbitrator is not available, then the Contractor and District shall appoint an arbitrator which is mutually agreeable to both parties. Upon being notified of the dispute, the arbitrator shall schedule a hearing within thirty (30) days of his appointment, or as soon as reasonably possible. The arbitrator shall issue a decision resolving the dispute within twenty (20) days of the hearing. The costs of arbitration shall be equally shared by all parties to the dispute. Each party shall bear their own attorneys fees.

However, in the event the dispute or action is for collection of any monetary consideration set forth in the Agreement, including any credits due the District, the prevailing party shall be entitled to all costs of collection, including a reasonable attorney's fee and all costs of arbitration.

In Witness Whereof the said Contractor has signed his name hereto and the said District has caused its name to be hereunto subscribed by the Chairman of its Board of Trustees' and attested by its Clerk this 21st day of June, 2017.

Witness for the Contractor(s)

Contractor: TJ Thompson

Contractor: TJ Thompson

Attest: School District No. 38
Flathead/Lake Counties

by:
Chairman

Exhibit A

Route Description
Route 16

Owner: T.J. Thompson
Driver: T.J. Thompson

School Bus Identification
Body Make: International, Chassis: International
Model Year: 1996
Capacity: 77 VIN: 1HVBBAAPOTH280720 License: 7 54095B

Route: Bus begins route at Swan Bar & Grille parking lot, continuing north on Hwy 83 past Bear Creek Village and Swan River School; turning onto Hwy 35 and back to Bigfork School

Total Mileage: 87.8 Miles per day.

BIGFORK SCHOOL DISTRICT NO. 38
SCHOOL BUS CONTRACT
Flathead/Lake Counties
Route 17

This agreement made and entered into the 14th day of June, 2017 by and between **Debbie Thompson** residing at **475 MT Hwy 83**, Bigfork, State of Montana, hereinafter referred to as the Contractor, and School District No. 38 of Flathead/Lake Counties, State of Montana hereinafter referred to as the District.

WITNESSETH:
That the Contractor, for consideration of the payments hereafter to be made to him or her by the District; as hereinafter set forth, specified and provided, does hereby promise and agree to and with the District as follows:

The Contractor, for and during the period beginning with the first day of school 2017, and ending with the last day of school, 2020, shall transport Elementary and High School Pupils residing within the Bigfork School District No. 38 to and from school on each day school is in session, over a route of **23** miles (+/-) traveled twice daily, for a total daily route mileage of **47** (+/-) as set forth in Exhibit A.

The District shall pay the Contractor for such transportation for each school year at the following annual contract rate.

School Year	Annual Contract Rate
2017-2018	**$36,118**
2018-2019	**$37,202**
2019-2020	**$38,318**

The payment schedule is set forth in Section V.

The Contractor and District hereby further agree to the following terms and conditions:

I. GENERAL SPECIFICATIONS

A. Transportation Director. The Contractor's contact with the District for day to day operational matters shall be through the District's Director of Transportation. Except where the District Board of Trustees' approval is required, the Director of Transportation shall have full authorization with respect to this contract.

B. Bus Driver. The Contractor will at all times provide a properly certified and competent driver for such bus in accordance with the provisions and requirements of the MCA 20-10-103 and any other applicable law. Such driver must be approved by the District Board of Trustees' and must be a holder of a current School Bus Driver Certificate issued by the Montana Office of Public Instruction and filed with the County Superintendent. The Contractor shall be liable for loss of state reimbursement because of improper driver certification. In case of a loss, a like amount will be withheld from the next contract payment due. If the bus driver is other than the Contractor, then the Contractor shall also maintain Workers Compensation Insurance and provide the District with proof of Workers Compensation Insurance. If the Contractor requests, the District may provide a substitute driver. The Contractor will then reimburse the District for all costs to provide said driver.

C. Contract Supplement. District policies, rules and regulations pertaining to transportation of pupils, eligibility, discipline and driver training, whether currently in effect or as modified by District Board of Trustees' action, shall be considered a part of this contract and the Contractor assents to the provisions of the same. By board of Public Education rule, Standards for School Buses in Montana, it is now law that all certified school bus drivers are required to receive at least ten hours of training annually. Therefore it is the contractor's responsibility to comply with this law. The Transportation Director will schedule meetings or provide alternate options to fulfill this requirement. If a contractor fails to receive ten hours of training each year, it will be a breach of this contract. If additional meetings beyond this requirement are scheduled, the Contractor will be compensated at an hourly rate equal to the Federal Minimum Wage.

II. BUS SPECIFICATIONS

A. Contractor Bus. Transportation shall be furnished by means of a suitable, proper, safe and approved school bus. The school bus and the operation of the school bus are to be provided by the Contractor at his/her sole cost and expense. The school bus and the operations of the school bus shall in all respects fully comply with the provisions, requirements, rules and regulations of the Montana State Highway Patrol, and the Montana State Board of Education which are now in effect or which may hereinafter be enacted permitting the operation of the vehicle as a school bus. The Contractor has agreed to provide a **71** passenger, **1992 Thomas** body, **International** chassis. The size, year and model of bus may be changed only upon prior approval of the District Board of Trustees'. Such approval shall not be unreasonably withheld.

B. Replacement Bus. Upon the prior notification of the Director of Transportation, the use of a replacement bus may be allowed if the above referenced bus in inoperative for mechanical or safety reasons. However, such replacement bus must be of a sufficient capacity to transport the pupils on the route covered by this contract, and the use of a replacement bus must be of a temporary and short term nature. Use of a replacement bus for more than ten (10) days within any thirty (30) day period (inclusive of weekends)

shall require approval of the District Board of Trustee's. Furthermore, the replacement bus so used must have a current and valid Montana Highway Patrol inspection sticker and must meet all the requirements and conditions set forth in this contract for the operation of a school bus including but not limited to all the provisions set forth in this Section of this contract.

C. Bus Breakdown. If the Contractor's bus is not available for service for any reason whatsoever, or breaks down during the route and the Contractor cannot provide alternative transportation and the District incurs any costs to transport the students normally transported by the Contractor, such costs shall be deducted from the Contractor's next monthly contract payment.

D. OPI Bus Standards. The school bus provided and operated by the Contractor shall meet or exceed the requirements prescribed by the Office of Public Instruction in the publication entitled *Minimum Standards for School Buses in Montana* including any amendments made to those standards.

E. State Bus Inspections. The school bus provided and operated by the Contractor is subject to inspection by the Montana Highway Patrol as prescribed by Montana Vehicle Code Section 32-21-155.1. The Contractor will cooperate fully during said inspection and shall comply with any recommendations resulting from such inspection at his/her sole cost and expense.

F. Bus Self Inspections. The Contractor shall provide a certified statement that the items listed below have been inspected by her or a qualified mechanic and any existing deficiencies must be corrected at the Contractor's sole cost and expense. This will be done annually, prior to the beginning of each school year.

1. STEERING
   a. Steering gear
   b. Pitman arm
   c. Tie rods
   d. Drag link
   e. Idler lever
   f. King pins

2. WHEELS AND TIRES
   a. Tread wear
   b. Wheel defects
   c. Wheel nut torque

3. BRAKE SYSTEM
   a. Brake linings
   b. Hoses
   c. Brake lines

d. Drums/Disks
e. Fluid levels/compressor
f. Park brake

4. EXHAUST SYSTEM
   a. Tailpipes
   b. Exhaust pipes
   c. Mufflers
   d. Hanger brackets
   e. Connections
5. FUEL SYSTEM LEAKS
6. FRONT AND REAR SUSPENSION
7. ENGINE MOUNTS

G. Federal Bus Inspections. The Contractor acknowledges that it is the policy of the District to have all buses inspected, at least annually by the Federal Department of Transportation. Additionally, at the District Board of Trustees' sole discretion, the District may employ a person with experience in bus operation to make periodic inspections of the buses and any other inspection deemed necessary by the Director of Transportation. The Contractor is required to make his or her bus available for these inspections as scheduled. Contractors may be present during the inspection. Any deficiencies noted by such inspection shall be corrected immediately at the Contractor's sole cost and expense.

H. Bus Defects. The Contractor's bus shall not be used on any District route when a deficiency from any and all of the inspections mentioned heretofore still exists.

I. Bus Fuel Conversion. If the Contractor wishes to convert to a different type of fuel, he or she must notify the District prior to the conversion. Fuel conversions are considered to be a major conversion to a school bus and must be approved the Office of Public Instruction and the Montana Highway Patrol Bureau. All conversions must meet *Minimum Standards for School Buses in Montana* and any other applicable regulations.

J. District Equipment Added. Any equipment added to the bus which is provided and installed by the District shall remain the property of the District and shall be removed and returned to the District upon termination of this contract. The cost of removing such equipment shall be paid by the District.

III. Indemnification & Insurance

A. Indemnification. The Contractor shall indemnify and hold harmless the District from any losses, costs, damages, or expenses arising out of any accident or other occurrence causing injury or damage to any person or to the property of any person done directly or indirectly to the operations of the Contractor.

B. Insurance Coverage. The Contractor will carry motor vehicle liability (bodily injury) and motor vehicle liability (property damage) with limits of the following or more:

1. Motor Vehicle Liability (bodily injury)
   a. Each person $1,000,000.00
   b. Each occurrence $1,000,000.00
2. Motor Vehicle Liability (property damage).
   Each occurrence $100,000.00

C. Proof of Insurance. The Contractor will furnish the District with proof of insurance naming the District as an additional insured. Failure to provide proof of insurance or to keep insurance in effect will terminate this contract at the option of the District.

D. Workers Compensation Insurance. The Contractor shall maintain Workers Compensation Insurance and provide the District with proof of such coverage if required under Section I (B) of this Agreement.

IV. ROUTE SPECIFICATIONS

A. Route Driving Days. The Contractor shall operate and drive the bus over the route or routes hereinafter specified in Exhibit A for 180 pupil instruction days, not to exceed 181 driving days. For any days driven over 181 days, the Contractor shall be paid at the daily rate of this contract. The daily rate shall be computed by dividing the annual contract rate then in effect by 181 days. For example, an annual contract rate of $9050.00 would equal a daily rate of $50.00 (9050.00 / 181 days). If the school year is changed by law so that buses operate less than 181 days, monthly payments will be reduced using the same formula.

B. Route Changes. In the event it becomes desirable to change the route, the District reserves the right to change said route, subject to approval of the District Board of Trustees' and the County Transportation Committee. The contract rate shall be adjusted to reflect any increase or decrease in mileage resulting from a route change. Should a change be made, the contract rate shall be adjusted as set forth below. For route changes of 15% or less (cumulative of all changes during the term of this contract) of the original total daily route mileage, the increase or decrease in contract rate shall be computed at one-half (1/2) the per mile rate of this contract. The per mile rate shall be computed by dividing the daily rate of this contract as defined in Section IV (A) by the total daily route mileage specified in Exhibit A of this contract. For example, if the daily contract was $50.00 and the original route mileage was 50 miles. The per mile rate would be $1.00 ($50.00 divided by 50 miles) and the increase or decrease in the contract rate would be computed at $.50 per mile (1/2 of the per mile rate). The contract rate change for route changes that result in an increase or decrease of more than 15% of the original total daily route mileage shall be mutually agreed upon by the Contractor and the District.

C. Route Zones. When two or more Contractors traverse the same stretch of road, the Director of Transportation shall determine which Contractor shall pick up in each "zone". However, student pick-up points shall be determined by the Contractor. This is subject to change by the Director of Transportation for safety reasons or considerations.

D. Route Scheduling. Weather and safety permitting, the Contractor shall schedule his/her route so that students arrive on campus each school day before the start of the first class. Contractor shall arrive on campus to pick up students at the end of each school day before the end of the last class period. These times may be set/changed as deemed reasonable by the Director of Transportation.

E. Route Safety Concerns. Contractor shall immediately or as soon as possible upon completion of the daily route, report all safety concerns regarding the route to the Director of Transportation.

V. PAYMENT SPECIFICATIONS

A. Monthly Payments. Payment of each annual rate shall be made by the District in ten (10) installments per school year. Installments one (1) through nine (9) shall each be computed at 10.6% of the annual contract rate and shall be paid to the Contractor on the last working day of each month beginning in September of each year and ending in May of each year. The tenth (10th) installment shall be computed at 4.6% of the annual contract rate and shall be paid to the Contractor on the last day of school in June of each year. Payment shall be by a District warrant or warrants which shall be received and shall be accepted by the Contractor at face value and without discount.

B. Fuel Fluctuation Payments. It is recognized by the Contractor and the District that the price of fuel may fluctuate during the contract period and that such changes in price cannot be determined in advance. Therefore additional compensation shall be paid to the Contractor for any increases in the price of fuel. The additional compensation shall be computed, on a monthly basis, as set forth below using the computational factors stated. However, the actual payment of the additional compensation to the Contractor shall be made only in January and June of each contract year. The amount of the payment due each January, and June shall be based on a summation of the monthly computations.

1. Computational Factors:

   a) Base cost of fuel ("BCF"): $1.00

   b) Fuel mileage ("FM") in Miles per Gallon: 8.00

   c) Total daily route mileage ("RM") as set forth in Exhibit A as adjusted for any route changes.

d) Monthly average fuel price ("MAFP") shall be the average of the average monthly fuel prices charged by at least two Bigfork area fuel supplier, net of any applicable tax credits available to the Contractor (Note: Therefore, fuel prices will be adjusted downward, to reflect any federal, state or local taxes included in the fuel prices which is refundable, in any manner, to the Contractor).

e) Driving Days: 181

2. Calculation of semi-annual Contractor's compensation for fuel price changes shall be computed monthly as follows:

a) The Base Cost of Fuel ("BCF") will be subtracted from the Monthly Average Fuel Price ("MAFP") to arrive at a Fuel Price Differential ("FPD").

b) Fuel usage ("FU") will be calculated by dividing the total daily route mileage ("RM") by the Fuel Mileage ("FM") which is then multiplied by the number of driving days in the month.

c) The Fuel Price Differential ("FPD") is then multiplied by the fuel usage ("FU") in gallons. This positive number reflects compensation to the Contractor.

d) The additional compensation due the Contractor is then the summation of the monthly computations. The January payment shall be for the months of August through December, and the June payment shall be for the months of January through June.

3. Fuel fluctuation payments with respect to any change in type of fuel as may be allowed under Section II. (I), will be adjusted according to revised computational factors as agreed upon by the District and the Contractor.

VI. CONTRACT RELIEF

A. Contract Cancellation. This contract may be canceled under the following conditions:

1. If the Contractor is not providing safe, consistent, reliable service, or is not in compliance with any of the provisions of this contract (subject to notice and reasonable time to cure, as may be appropriate for the specific situation) or does not comply with the instructions or directions of the Director of Transportation as he/she is authorized to issue under this contract, then this contract may be terminated immediately by a two-thirds (2/3) vote of the full District Board of Trustees'. If this contract is canceled pursuant to this section, the Contractor shall be entitled to compensation only for the services performed up to the date of such termination.

2. If there is a decrease in pupil enrollment or if there is otherwise a reduction in the number of pupils who are entitled to school bus transportation under the laws of the State of Montana, so the number of pupils receiving service herein decreases to the point that such service is no longer required, the District may terminate this contract by giving written notice to the Contractor at least thirty (30) days prior to the effective date of such termination. Notice shall be deemed given upon mailing a certified letter to the Contractor at his address specified herein. The District shall pay to the Contractor additional compensation beyond that earned to the date of termination of such service equal to 33 1/3% of the annual contract amount then in effect.

3. If the District is forced to discontinue all transportation due to a lack of funding, the District will not be obligated to continue monthly payments. However, if and when funding becomes available to restore the transportation system, the Contractor will be given the option of continuing his/her contract.

B. School Closure. Should the schools be closed for any cause whatsoever, the District shall not be liable for payment for service under the contract during the periods of such closing. The contract rate for any reduction in service as a result of a school closure shall be computed as set forth in Section IV. of this contract.

C. Contract Assignment. This contract and agreement shall not be transferred and assigned by the Contractor except with the written approval and consent of the Board of Trustees' of the District which approval will not unreasonably be withheld.

D. Contract Dispute. If a dispute should develop while this contract is still in force, the Contractor will continue to operate until the dispute is resolved and shall be compensated at the rate which was in effect immediately before such dispute arose.

E. Arbitration: In the event of any dispute arising out of this Agreement, which cannot be mutually resolved by the parties, such dispute shall be decided by Settlement Solutions, 210 North Higgins Avenue, Suite 336, P.O. Box 9145, Missoula, Montana 59807,(406) 728-7295, as arbitrator. If such arbitrator is not available, then the Contractor and District shall appoint an arbitrator which is mutually agreeable to both parties. Upon being notified of the dispute, the arbitrator shall schedule a hearing within thirty (30) days of his appointment, or as soon as reasonably possible. The arbitrator shall issue a decision resolving the dispute within twenty (20) days of the hearing. The costs of arbitration shall be equally shared by all parties to the dispute. Each party shall bear their own attorneys fees.

However, in the event the dispute or action is for collection of any monetary consideration set forth in the Agreement, including any credits due the District, the prevailing party shall be entitled to all costs of collection, including a reasonable attorney's fee and all costs of arbitration.

In Witness Whereof the said Contractor has signed his name hereto and the said District has caused its name to be hereunto subscribed by the Chairman of its Board of Trustees' and attested by its Clerk this 21st day of June 2017.

Witness for the Contractor(s)

Contractor: Debbie Thompson

Contractor: Debbie Thompson

Attest :

School District No. 38
Flathead/Lake Counties

By:
Chairman

Exhibit A

Route Description
Route 17

Owner: Debbie Thompson
Driver: Debbie Thompson

School Bus Identification
Body Make: Thomas, Year: 1992 Chassis: International
Capacity: 71 VIN: 1HVBBPEPXNH451697, License Plate: 7 31517B

Route: Begin at the Bigfork School and proceed north on Hwy 35 to Hwy 83; turn east on Hwy 83 and proceed to Swan River Rd; turn south and proceed to the turnaround at the Swan River bridge; turn around and proceed north back to Hwy 83 intersection; continue north on Echo Lake Rd and Foothills Rd to the intersection of Jewel Basin Rd and Foothills Rd. Turn around and proceed back south to Echo Lake Rd. and Mt 83 intersection, turn west to Hwy 35, turn south and proceed to Bigfork School.

Total Mileage: 47 Miles per day.