

AGREEMENT TO PROVIDE STUDENT TRANSPORTATION SERVICES

This Agreement entered into as of July 1, 2006, by and between Tecumseh Public Schools, Lenawee County, Michigan and First Student, Inc., a First Group of America Corporation.

WITNESSETH:

WHEREAS, the parties are desirous of providing transportation services for the students of Tecumseh Public Schools in accordance with the requirements of law and the terms and conditions provided for herein;

NOW, THEREFORE, in consideration of the mutual promises of the parties the covenants and conditions herein contained, and the mutual benefits to be derived herefrom, the parties agree as follows:

SECTION 1. DEFINITION OF TERMS

- 1.1 **School District or District** shall mean Tecumseh Public Schools, whose address for notices is 212 N Ottawa, Tecumseh, Michigan 49286-1399.
- 1.2 **Contractor** shall mean First Student, Inc., a First Group of America Corporation, whose address for notices is One Centennial Plaza, 705 Central Avenue, Suite 500, Cincinnati, Ohio 45202.

- 1.3 **Superintendent** shall mean the Superintendent of Schools of Tecumseh Public Schools, or his/her designee.
- 1.4 **School Bus or Bus** shall mean a school bus body and chassis which is licensed by the State of Michigan (the "State") to operate as a school bus and which meets all applicable State requirements.
- 1.5 **School, Bus Driver or Driver** shall mean a legally qualified school bus operator licensed by the State, who is reasonably acceptable to the Contractor and the School District to operate a school bus.
- 1.6 **Regular Daily Run or Regular Run** shall mean any scheduled route which is established for the purpose of transporting students to and from on a daily basis during the term of this Agreement.
- 1.7 **Special Trips or Trips** shall mean transportation, including such routes and schedules as may be required, during or outside the regular school day which are established from time to time for the purpose of transporting students to athletic or other school related events (e.g., field trips).
- 1.8 **Vehicle** shall refer to a school bus or other vehicle acquired by Contractor from the District or otherwise, to be used by the Contractor in the performance of his Agreement.
- 1.9 **Proposal or Quote** shall refer to the Contractor's proposal for Transportation Service dated

May 18, 2006, including the attachments thereto entitled 06-07 Tecumseh Public Schools Inventory, Pricing Page, Employment and Training Policies and Safety Programs (collectively the "Proposal" or "Quote") ,all of which are attached hereto and incorporated herein as Exhibit A.

1. 10 **Specifications** shall refer to those contained in the School District's Pupil Transportation Descriptive Operations Data and any subsequent addenda or attached hereto and incorporated herein as Exhibit B.

SECTION 2. SCOPE OF THE WORK

- 2.1 The Contractor hereby agrees to provide the student transportation services described in the Specifications and Proposal during the term of this Agreement. Any changes of said transportation services will require appropriate adjustments to the rates and charges, as mutually agreed to by the parties, set forth in the Proposal. All student transportation services provided by the Contractor shall comply with and be in accordance with all with all requirements of any applicable municipal, State. and federal laws, ordinance, rules and regulations and the terms and conditions of this Agreement.
- 2.2 This agreement shall commence and take effect as of July 1, 2006 and end June 30, 2009.

SECTION 3. BUS ROUTES AND SCHEDULES

- 3.1 (a) Bus routes and bus stops shall be developed by Contractor in a timely manner,

utilizing a windows-based routing software program compatible with the District's network system and submitted to and approved by the School District, and may be modified at the sole discretion of the School District. Contractor shall not deviate from the designated routes except by prior written consent of the School District or in the case of an emergency, which shall be reported promptly thereafter to the District.

- (b) The School District may require Contractor to alter, modify or amend the bus routes and/or stops along the way, to add, eliminate, or change bus routes, establish new bus routes, and change time scheduled for pick-up and deliveries in order to meet changing conditions upon reasonable prior notice to Contractor. Rules and regulations for details incidental to the operation of bus routes, bus stops and other attendant matters which may arise shall be mutually agreed upon.

3.2 The Contractor shall require the bus drivers to adhere to routes and times schedules as established. Bus drivers who discover cause for route or time adjustment will report same to the Contractor, which will take the matter up with the School District. The Contractor will act in an advisory capacity to the School District with regard to proposed changes in routes and schedules.

3.3 The School District shall have the sole responsibility of altering, delaying or canceling bus service during inclement weather. Contractor agrees to abide by the decision of the Superintendent, or his/her designee and operate on the assigned schedules and routes. The Contractor shall assist the School District in any determination of whether runs should be

canceled due to inclement weather. To this end, the Contractor shall remain available to the School District for consultation on a daily basis. The Contractor's site manager shall be responsible for checking roads and highways during inclement weather in order to provide the Superintendent with an informed recommendation relating to the cancellation, delay, or alteration of bus service.

3.4 **School Schedule Changes and Saved Charges.** The District shall not be charged for routes that are not run on those days when its schools and classes are closed to ensure the health and safety of students, for the reason of inclement weather, or any other lawful reason, provided that the District has notified Contractor by 5:00 a.m. of the day schools are to be closed.

3.5 **Options to Cancel.** The District shall have the option to cancel without charge any scheduled non-regular trip upon notification at least 24 hours prior to the time of the first scheduled student pick-up.

3.6 Contractor will be required to provide buses and drivers to the County of Lenawee or the City of Tecumseh in the event of a community disaster evacuation.

SECTION 4. INDEMNIFICATION AND INSURANCE

4.1 **No District Liability.** The Services shall be performed entirely at Contractor's risk. The District, or its authorized representatives, shall not in any way or manner be answerable

or suffer loss, damage, expense or liability of any kind or nature arising from Services whether by accident, negligence, theft, vandalism, or any cause whatever

- 4.2 **Indemnification by Contractor.** Contractor shall indemnify, defend and hold harmless the District and its authorized representatives, from any and all liability for injury or death to persons, including but not limited to Contractor's own employees, or damage or loss of property, arising out of or resulting from the acts or omissions, negligence or default of the Contractor or its agents, servants, or employees.

Contractor shall not indemnify, defend, or hold harmless the District and its authorized representatives for any claims, damages, or expenses related to the District's ridership or other policies or procedures that the Contractor has carried out in good faith, nor for student upon student violence, nor the willful, wanton, or negligent acts or omissions of the District or its authorized representatives.

- 4.3 The Contractor shall to maintain in full force and effect during the term of this Agreement, insurance policies providing the following minimum coverage amounts:

- (a) Worker's Compensation - as required by statute;
- (b) Automobile Liability - \$10,000,000 combined single units
 - Bodily Injury - per occurrence \$1,000,000
 - Property Damage - per occurrence \$1,000,000(c)
 - Broad Form Comprehensive General Liability Insurance, covering actions, activities and performance of Contractor and its employees assigned

under this Agreement; coverage to be broad form including contractual liability, sexual harassment and molestation; limits of coverage shall be no less than \$2,000,000 per occurrence/\$2,000,000 annual aggregate.

The School District shall be named as additional insured in all such insurance policies except Worker's Compensation. The insurance shall be carried through a company authorized to conduct business in the State and shall provide that it cannot be canceled, or materially altered without thirty (30) days prior written notice to the District.

- 4.4 Certificates of Insurance shall be provided by Contractor to the School District on or before August 15, 2006 and thereafter, on an annual basis, each and every year of this Agreement. Furthermore, any change by Contractor in its insurance, which affects coverage available to the School District under this Agreement including, but not limited to a change of insurance carriers, shall be brought to the School District's attention by written notice within thirty (30) days after said change is made.

SECTION 5. DISCLAIMER OF AGENCY / INDEMNIFICATION

- 5.1 The Contractor acknowledges that it is an independent contractor, and as such, is not and shall not be construed to be an agent or employee of the School District. Except to the extent otherwise provided elsewhere herein, the Contractor agrees to indemnify, hold harmless and defend the School District and its authorized representatives from and against any and all liability for loss, damage or expense which they may suffer or for which they may be held liable by reasons of injury, including death, to any person or damage to any property

to the extent caused by the Contractor, or its supervisor, mechanic, dispatcher, drivers or other agents, in performance of services under this Agreement.

SECTION 6. FAILURE OF OPERATION

- 6.1 When the Contractor fails to complete any route or any portion of any route, the amount of payment appropriate for said route or part of said route should be deducted, on a pro-rata basis, from the daily rate for the vehicle or vehicles involved. Any extra cost incurred by the School District in securing substitute service shall be charged to the account of Contractor.
- 6.2 Penalties under this section shall be imposed in the exercise of reasonable discretion by the School District, after consultation and discussion by the parties.

SECTION 7. VEHICLES

- 7.1 Contractor shall provide all school transportation vehicles, which are identified in Exhibit A - - 06-07 Tecumseh Public Schools Bus Inventory.
- 7.2 All vehicles used and employed by the Contractor in the performance of this Agreement shall meet all applicable municipal, State and federal laws, ordinances, rules and regulations.
- 7.3 Prior to August 1st of each year, Contractor shall furnish the following information to the School District for all vehicles:

- a) a list of all equipment to be used
- b) name of manufacturer
- c) date of manufacture
- d) serial numbers
- e) pupil capacity
- f) odometer reading

7.4 The Contractor shall secure and maintain in force such licenses and permits as and required by law for furnishing the services herein specified.

7.5 The Contractor shall notify the District immediately and shall furnish to the School District an initial written report of every accident involving any vehicle on the same day when possible but in no event later than within 24 hours of its occurrence. The Contractor shall prepare and provide to the District a complete report of any such accident, including any plans for action to be taken resultant thereto, with all deliberate speed. The Superintendent or his/her designee shall be notified immediately in the event an accident occurs which results in injury to a driver(s), student(s) district employee(s) or other person(s).

7.6 All vehicles shall be cleaned and maintained in accordance with the Proposal and applicable law. A documented thorough preventative maintenance and vehicle inspection program on all vehicles shall be ongoing at all times in accordance with the Proposal. Records of vehicle component failures and repairs thereto shall be carefully maintained and available to the District on request.

- 7.7 No vehicle shall be fueled while students are on board.
- 7.8 The Contractor shall provide student and mileage information in order to assist the School District in complying with Department of Education regulations. In addition the Contractor shall provide reasonable assistance to the School District in order for the School District to complete and file necessary reports to the governmental bodies.
- 7.9 Contractor will be required to provide five (5) spare buses for regular or special necessitated by:
- (a) Athletic or field trips;
 - (b) Mechanical break down;
 - (c) Vehicles that are inoperable due to an accident; and
 - (d) Vehicles that are being maintained on a preventive maintenance program.
- 7.10 All school buses assigned to this Agreement shall be no older than ten (10) years.
- 7.11 Contractor agrees to provide maintenance on School District owned vehicles not used in providing services under this Agreement upon request on a time and materials basis. The hourly rate will be \$35.00 for services provided during the 2006/2007 school year; in 2007/2008 \$35.70; and \$36.41 in 2008/2009. Necessary parts and materials will be invoiced at cost plus 10%.
- 7.12 The School District retains the right to inspect the school buses and all other vehicles at all

reasonable times and by all reasonable means to insure safety compliance.

- 7.13 In the event the School District elects to reinstate an in-house pupil transportation operation, Contractor agrees that the School District will have the right to buy the buses and vehicles used in performance of this Agreement at the end of the contract term. The School District shall have the right to purchase any of the vehicles reported in the list referenced in section 7.3 of this Agreement. The purchase price shall be established on the same basis as was used by the Contractor to compute the prices of vehicles Contractor purchased from the District in July, 1996 (i.e., "Yellow Book" value at the date of sale less 10%).

SECTIONS 8. PERSONNEL

- 8.1 The Contractor shall supply, at its own expense, all personnel necessary or required by the performance of its duties and obligations under this Agreement. The Contractor shall have an ongoing safety program for all bus drivers and documentation of this program shall be provided to the School District upon written request.
- 8.2 Bus drivers must meet all applicable State and Federal requirements. Contractor shall provide an ongoing training program for Drivers, Monitors, and Aides (if applicable) that includes completion of an initial training program and continuing or annual in-serving training. This training program must be documented to the School District annually.

Drug or other screening test(s), including criminal history checks, required for all bus drivers or other Contractor personnel, including pre-employment tests or tests at other times, shall

be conducted in accordance with any applicable federal, State or local laws and regulations. The District shall request a criminal history check in accordance with Michigan Public Act 84 of 2006, which may take up to 30 days. The individual shall not provide driving services unless the District is satisfied with the results of the criminal history check. Contractor shall pay the costs associated with criminal history checks.

- 8.3 Each driver must have periodic physical examinations in accordance with applicable State and federal requirements, at the Contractor's expense.
- 8.4 The Contractor shall be responsible for providing substitute bus drivers. All substitute drivers shall be required to meet the same State and Federal requirements as regular bus drivers.
- 8.5 The School District retains the right to request the discharge of any school bus driver or other Contractor personnel, who, in its opinion, is not appropriate to provide services to the school district. All such requests will be made in writing and state the reasons therefore.
- 8.6 Drivers or aides shall not smoke, or possess, consume or be under influence of alcoholic beverages or controlled substances on vehicles while providing Services or prior to undertaking such duty within the time frames specified in applicable legal requirements, in particular the Pupil Transportation Act, or otherwise in the exercise of reasonable judgment. The Contractor shall conduct or cause to be conducted tests under applicable legal requirements, or as may be additionally required by the District, designed to determine the presence of illegal drugs, controlled substances, or alcohol.

- 8.7 The Contractor agrees to submit a list of the certified drivers who will be utilized to provide transportation services to Tecumseh students to the School District not later than August 1st of each school year under the Agreement.
- 8.8 The Contractor shall employ a qualified full time experienced transportation director with Michigan Transportation Supervisor Certification, to supervise the providing of student transportation services under this Agreement, including supervisory personnel to act in the capacity of liaison between the School District and the Contractor. Supervisory personnel shall be available to the Superintendent and/or his/her designee(s) on site between 5:00 a.m. and 4:30 p.m. on each school day during the term of this Agreement.
- 8.9 No unauthorized personnel or riders shall be allowed on any vehicle being use in the performance of this Agreement.
- 8.10 The Contractor shall not discriminate against any prospective or active employee because of race, color, national origin, religious creed, sex, age, or disability.
- 8.11 The Contractor shall interview and accept application for employment from all current School District transportation employees seeking consideration. The names of the applicants, of those applicants offered employment, and of those accepting employment will be provided to the School District upon request.
- 8.12 Contractor agrees to make supervisor and staff available for reasonable community related inquires upon reasonable request and notice from the School District.

- 8.13 Contractor shall employ a full-time, properly certified mechanic to service, maintain and repair the buses to transport Tecumseh School District students.

SECTION 9. BUS OPERATIONS / SUPERVISION OF STUDENTS

- 9.1 Bus drivers shall not operate a bus loaded in excess of its rated capacity.
- 9.2 Bus drivers shall not leave a bus unattended at any time when students are on board.
- 9.3 Bus drivers shall report student misconduct occurring on a bus. Bus drivers shall be instructed on and comply with the School District's disciplinary policy for student misconduct. The School District shall instruct students on the bus regulations and conduct rules.
- 9.4 No bus driver shall put a student off a bus unless that student is putting the driver or another student in jeopardy of physical harm. In such case, the driver shall inform the Supervisor of such action immediately, by radio, or other means. The Supervisor will make every attempt to inform the appropriate Building Principal of the action taken as soon as possible.
- 9.5 Bus drivers do not have authority to refuse any transportation to any eligible student. Matters, which may necessitate a withdrawal of eligibility, will be reported as soon as possible to the Contractor, which will handle the matter through the School District.
- 9.6 The bus driver is responsible to see that all students are seated and remain seated while the

bus is in operation.

SECTION 10. PROCUREMENT OF FUEL

10.1 The Contractor will furnish the fuel necessary to provide the services outlined in this Agreement and these services only. The District shall reimburse the Contractor for said fuel, less State and Federal excise taxes. Contractor will obtain fuel for another purpose from separate and distinct sources and provide adequate records to the District to document and support the same.

10.2 Fuel will be stored off site in commercial facilities.

SECTION 11. LEASE OF DISTRICT GARAGES AND GROUNDS

11.1 Subject to satisfactory inspection and assessment of Contractor, the District shall lease to the Contractor the District garages and grounds, parts and office areas located at 700 South Maumee Street, Tecumseh, Michigan. The District garage, parts and office area is 6794 square foot facility with three (3) business days. The District grounds are 38,512 square foot fence enclosed compound. At no time shall the Contractor garage or grounds be used as a depot for the transfer of students.

11.2 The lease shall be for a term coincident with the term of this Agreement. Rent shall be \$1.00 (one dollar) per year. Annual rent shall be due in the District office on the first day of

each contract year. The District shall maintain the buildings, garages, and grounds in like condition to other District owned buildings and land.

The District warrants that, to the best of its knowledge and belief, the soil and ground water under the District garage and grounds to be utilized by Contractor are not contaminated with any regulated substance or any hazardous waste and that regulated substances have not been and are not now being treated, stored, or disposed of there by District in violation of existing federal, State or local requirements. The District shall be responsible for any environmental damage, fines, penalties, clean up cost and any other costs, including but not limited to third party liability, that may arise from any such contamination or violation of law occurring prior to Contractor's occupancy. Contractor shall be responsible for any such damage, cost or liability caused by Contractor's intentional or negligent acts or omissions on the premises during the term of this Agreement.

The District shall be responsible for the cost of all utilities and taxes except for telephone service, which will be at Contractor's expense. Contractor will be responsible for trash removal, general cleaning and upkeep.

Contractor will not permit smoking by any person in the District-owned garage or on the grounds.

Contractor shall be financially responsible for any alterations, additions, renovations or improvements it makes to the leased premises unless the parties agree otherwise in advance. Unless expected by prior written agreement, any such additions, alterations,

renovations or improvements shall be deemed the property of the District in the event of contract non-renewal or termination. Contractor shall obtain the written permission of the district prior to taking any alterations, additions, renovations, or improvements on the leased premises; such permission shall not be unreasonable withheld.

SECTION 12. RATES AND CONDITIONS

- 12.1 School District shall pay the Contractor based on the rates and charges set forth in the Proposal and clarification attached hereto as Exhibit A.
- 12.2 The Contractor shall be responsible for providing a two-way communication system allowing communication between the District Garage and all vehicles. School District will maintain the existing repeater service. Contractor will be responsible for any additional service, financially and otherwise.
- 12.3 Contractor will submit an itemized invoice to the School District monthly (by the 5th of the month) for all services rendered during the previous month, including Extra Curricular/Athletic trips, in accordance with the rates and charges specified in the Proposal. Payment will be made on or before the 30th of each month.

SECTION 13. TERMINATION OF CONTRACT

- 13.1 If Contractor, after receipt of written notice, and a reasonable opportunity to correct any deficiency (not less than 30 days) fails to perform a material obligation of Contractor

hereunder, or to furnish safe and adequate personnel and equipment, or otherwise fails to substantially comply with the terms of this Agreement, the School District may cancel the Agreement and procure services elsewhere. In the event of cancellation or termination, Contractor agrees that the School District will have the right of first refusal to buy the buses and vehicles used in performance of this Agreement at the end of the contract term. The School District shall have the right to purchase any of the vehicles reported in the list referenced in section 7.3 of this Agreement. The purchase price shall be Contractor's book value.

- 13.2 The School District may upon one hundred eighty (180) days advance written notice terminate this Agreement on July 1st of any year due to financial constraints and resource limitations as determined by the Board of Education in its budget planning process. In such case the School District shall not obtain transportation services from another source except as required by law or regulation (e.g., special education). The School District shall have the right to purchase any of the vehicles reported in the list referenced in section 7.3 of this Agreement. The purchase price shall be established on the same basis as was used by the Contractor to compute the prices of vehicles Contractor purchased from the District in July, 1996 (i.e., "Yellow Book" value at the date of sale less 10%).

SECTION 14. SAFETY PROGRAM

- 14.1 Contractor will provide a yearly bus safety program for grades K through 5 at all elementary schools. Said programs will be completed within the first six (6) weeks of each school year.

Contractor shall review the content of its bus safety program with the Superintendent or his/her designee before it is presented to students and staff.

- 14.2 Contractor will establish a schedule of driver safety programs to address current employees and future training needs.
- 14.3 Contractor will conduct monthly safety meetings for drivers and will provide a schedule of said meeting to the Executive Director of Finance at the start of each school year.
- 14.4 Contractor will implement all safety programs referenced in the Proposal.

SECTION 15. SALES OF TOOLS, EQUIPMENT AND PARTS

- 15.1 The School District made available for sale to Contractor hand tools, portable tools, and shop equipment accessories and supplies owned by the School District. Contractor has purchased all of these items within thirty (30) days after the execution of the initial contract between the parties. Purchase price was \$5,600. Upon expiration or termination of this Agreement for any reason, Contractor will, at School District's request, re-sell such tools, equipment, accessories and supplies to the School District for a reasonable consideration to be determined by the parties.
- 15.2 Any usable vehicle parts related to the Contractor's fleet for Services to the School District shall likewise be sold to the School District.

**SECTION 16. MODIFICATION, ENTIRE
AGREEMENT AND SAVINGS CLAUSE**

- 16.1 No waivers, alterations, or modifications of this Agreement or any agreements in connection with it shall be valid unless in writing and duly executed by both the Contractor and the School District.
- 16.2 This Agreement, including the exhibits attached hereto, constitutes the entire agreement between the parties and will supersede all previous negotiations and commitments whether written or oral.
- 16.3 The form of this Agreement is intended for general use in the United State of America and in the event that any of the terms and provisions are in violation of or prohibited by any Michigan law, statute, or local ordinance, such term or provision shall be of no force and effect to the extent of such violation or prohibition without invalidating the remaining terms and provisions of this Agreement.
- 16.4 The terms of this Agreement shall be interpreted to the effect the intent of the parties as expressed herein. The terms hereof, including exhibits, shall govern over provisions contained in any other non-Agreement documents.

SECTION 17. MISCELLANEOUS PROVISIONS

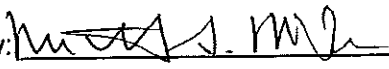
- 17.1 All buses assigned to the District shall be used primarily for transportation of students of Tecumseh Public Schools and the District's needs will take precedence over all other uses.
- 17.2 This Agreement shall not be assigned by either party hereto, without the written consent of the other party, which consent shall not be unreasonably withheld or delayed if the Contractor clearly demonstrates, in advance, that the District will suffer no detriment, financial, operational or otherwise, as a result of said assignment.
- 17.3 No penalty will be assessed to the Contractor beyond the loss of the daily contract rate charge, for failure to perform any obligation under this Agreement if prevented by a national emergency, wars, riots, fires, strikes, labor disputes, federal, State or local laws, rules regulations, shortages (local or national), or fuel allocation programs, or any other cause beyond Contractor's reasonable control whether existing now or hereafter Contractor will make reasonable good faith efforts to negotiate resolution of any labor disputes with Contractor's employees. If Contractor performance is excused by force majeure, the District shall have the right and options to take possession and control of all school vehicles, operating equipment, tools, supplies, parts, and other items of property kept by Contractor for the purpose of providing Services and to keep and use all such property belonging to Contractor for the duration of such interruption in order to provide Services. During such time the District shall keep accurate account of its usage of such property in providing the Services and its expenditures for providing the Services.

- 17.4 In the event of litigation or proceeding between the parties in reference to this Agreement, or upon the settlement of a dispute without litigation, the prevailing party shall be entitled to recover from the non-prevailing party all of its reasonable expenses incurred therefore, including reasonable attorney's fees and appellate costs and appellate costs and appellate attorneys' fees.
- 17.5 All notices required or permitted by this Agreement shall be in writing, signed by the party serving the notice, sent to the party at the address shown on page 1 hereof or to such other address as either party may have furnished to the other in writing as a place for the service of notice. Such notices shall be either deposited, postage prepaid, in the registered or certified United State mail, return receipt request or sent prepaid via courier service.
- 17.6 This Agreement may be executed in one or more counterparts each of which shall be deemed as an original, but all of which together shall constitute one and the same instrument.
- 17.7 In the event that any Labor Board or any other legislative or judicial body shall determine the School District acted improperly in subcontracting transportation services and directs the District to resume in-house operation, Contractor agrees to terminate this Agreement, receiving compensation for services performed.

In witness whereof the parties have caused their authorized representatives to below affix their signatures.

Date: 08/04/06

TECUMSEH PUBLIC SCHOOLS

By: 

Its: Superintendent

Date: _____

FIRST STUDENT, INC.

By: _____

Its: _____

EXHIBIT A

Pricing Page

CONTRACTOR: First Student Transportation

DATE: May 18, 2006

2006/2007

Regular Transportion Vehicle Type	Number of Vehicles	Number of Days per year	Cost per bus per day	Total Cost per School Year
Regular Routes	19	169	\$ 243.84	\$782,970.24
Kindergarten Transportation	10	169	\$ 47.44	\$80,173.60
Voc-Tech Transportation	3	169	\$ 103.69	\$52,570.83
Special Education Transportation				\$0.00
Sub Total				\$915,714.67
Sports/Field Trips	TBD	TBD	See below	
Grand Total				\$915,714.67

FIELD TRIPS - IN DISTRICT

per hour \$ 33.27
 mileage \$ 0.68
 or minimum \$ 100.00

FIELD TRIPS - OUT-OF DISTRICT

per hour \$ 33.27
 per hour \$ 0.68
 or minimum \$ 100.00

Rate Schedule

TECUMSEH PUBLIC SCHOOLS TECUMSEH, MICHIGAN

A. Home to School Transportation

<u>Years</u>	<u>Per Unit(#)</u>	<u>169 Day Service Total</u>
2006-2007	\$243.84 (19)	\$782,970.24
2007-2008	\$248.72 (19)	\$798,639.92
2008-2009	\$253.69 (19)	\$814,598.59

B. Mid-Day Kindergarten Routes

<u>Years</u>	<u>Per Unit(#)</u>	<u>169 Day Service</u>
2006-2007	\$47.44 (10)	\$80,173.60
2007-2008	\$48.39 (10)	\$81,779.10
2008-2009	\$49.36 (10)	\$83,418.40

C. VOC-Tech

<u>Years</u>	<u>Per Unit(#)</u>	<u>169 Day Service Total</u>
2006-2007	\$103.69 (3)	\$52,570.83
2007-2008	\$105.76 (3)	\$53,620.32
2008-2009	\$107.88 (3)	\$54,695.16

D. Charter, Field Trips and Sports Trips***

<u>Years</u>	<u>Per Mile and Per Hour</u>	<u>or</u>	<u>Minimum Trip Charge</u>
2006-2007	\$0.68/33.27 mile and \$/hr		\$100.00
2007-2008	\$0.70/33.94 mile and \$/hr		\$102.00
2008-2009	\$0.71/34.62 mile and \$/hr		\$104.00

All rates are based on the assumption that the Tecumseh Public Schools will reimburse First Student for all fuel expenditures related to the performance of service for the district during the current month. In addition, should the number of days and/or routes increase/decrease from the listed quantity, the increase/decrease in cost will be calculated by the per unit cost multiplied by the number of units used.

***Hours and miles are based on garage to garage

Employment & Training Policies

RECRUITMENT AND RETENTION

First Student commits extensive resources to the recruitment and retention of school bus drivers and operating staff. This ensures that licensed and competent personnel consistently cover all district routes.

Operational Strategies

We believe that a multitude of operating strategies have coalesced into an overall work environment that is attractive and beneficial to employees. No single factor can account for an effective labor relation's strategy. Specific operational strategies that we have implemented to create positive employee relations include:

- ✓ A management team extensively trained in employee relations
- ✓ Open door policy at all locations
- ✓ Fair treatment and well-explained policies and rules
- ✓ Fair distribution of charter work and seniority in route assignments
- ✓ Human Resources oversight and employee satisfaction surveys
- ✓ Effective passenger management
- ✓ Employee advocate/employee relations manager support
- ✓ Driver recognition and safety award programs
- ✓ Employee service recognition programs
- ✓ Driver participation in workplace improvement teams and programs
- ✓ Responsiveness to driver needs (bus repairs, condition of drivers' room, bathrooms, parking, etc.)
- ✓ Attractive driver compensation packages
- ✓ Employee communications tools, including national, regional and local newsletters
- ✓ Videos, flyers and bulletins explaining company and local events
- ✓ Community outreach and Public Relations programs



MANAGEMENT DEVELOPMENT

Our on-site management team's "people skills" are probably the single-most important component in maintaining positive relations with the workforce. First Student's managers, and even our dispatchers and safety personnel, receive extensive amounts of classroom and on-the-job training to build their employee relations skills. Following are the management training programs used to accomplish our goals:

Training

- ✓ **First Student Operating Manual** – key policy manual for supervising, compensating, recognizing and counseling employees in accordance with company policies; following and administering company safety policies and compliance procedures; maintaining accounting and business practices in accordance with company standards; and overseeing company vehicle inspection and maintenance processes
- ✓ **Frontline Leadership 2000** – classroom and study guide used in First Student's Preferred Employer Strategy to build positive employee relations that foster an enjoyable, productive work environment and customer-focused culture
- ✓ **Safety Leadership 2000** – classroom and study guide for building and leading a proactive, prevention-oriented safety culture and safe work environment
- ✓ **Passenger Management Leader's Guide** – classroom and study guide which teaches drivers how to effectively manage the most stressful component of their job: maintaining student discipline on the bus
- ✓ **Workforce Planning Guide** - a key tool for maintaining a full complement of drivers and proactively recruiting for new hires
- ✓ **Diversity Training** – a course and guidebook to build understanding and respect for people's differences
- ✓ **Management-In-Training ("MIT") Program** – a 6-to-9 month program for prospective Contract Managers that combines extensive classroom and on-the-job training in each major aspect of First Student's business. Formal evaluation and development tracking ensures that effective managers are hired and sourced for specific operating assignments.

COMPANY VALUES AND CULTURE

First Student's mission is to be the premier provider of student transportation services. Our management team, from the President down to the front line, is looked upon to lead the organizations core values and philosophies.

- ✓ Satisfy customer needs and expectations for performance
- ✓ Provide a high level of safety in our services
- ✓ Be the Preferred Employer

- ✓ Provide a high level of value through cost-effective services
- ✓ Grow the business through our reputation for quality

All of our business strategies relate back to these five, simple statements and overriding mission which guide our daily actions.

BEING THE PREFERRED EMPLOYER

Our experience demonstrates that an employee's satisfaction with his or her job is contingent on many factors. It is not simply a matter of compensation alone. First Student invests a great deal of resources to enhance the quality of work life for all employees and to train our managers to be sensitive to employees' needs. Many programs are developed and implemented with the assistance of our National Human Resources organization. For example, the HR group conducts anonymous surveys to evaluate employee satisfaction and attitudes towards management.

We also provide extensive recognition and workplace improvement programs for our drivers. These programs include Driver of the Month and Year, Excellent Driver Club, Safety Action Team participation and programs.

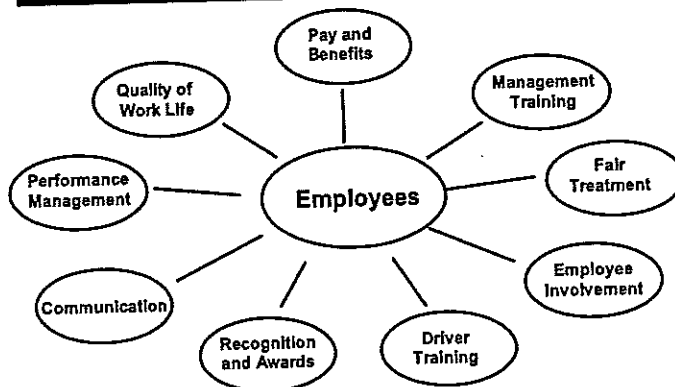


At First Student, we try very hard to do more for our employees and care more about our employees, and consequently, we expect more from them as well. Our expectations include such fundamental values as: being safe on the job, respecting each other, maintaining professional conduct and being dependable and on time. All of these items are set forth in a formal set of Driver Principles,

which we provide to every driver in our Employee Handbook.

If proper hiring, training and management of our employees is provided, our service will excel and flourish. The employees will be enthusiastic, productive and will remain with our company for many years. Our strategy to cultivate an experienced and motivated workforce is not accidental. It is part of First Student's ***Preferred Employer Strategy***.

First Student Preferred Employer Strategy



HUMAN RESOURCES SUPPORT

First Student's corporate human resource department offers extensive training and expertise in the area of labor relations for all First Student operations. All human resource functions are coordinated under the direction of a Vice President of Human Resources located at First Student's corporate office. Functional areas of support include:

- ✓ Employee relations audits
- ✓ Employee relations training and assistance
- ✓ Management development programs
- ✓ Collective bargaining and labor assistance
- ✓ Employee professionalism and recognition programs
- ✓ Employee communications programs
- ✓ Recruiting assistance
- ✓ Payroll and benefits administration

RECRUITING AND ROUTE COVERAGE

A safe, enjoyable work environment and cooperative labor/management relationship are an important part of attracting and retaining employees in our profession. But, the fact remains that most people have an uninformed perception of the school bus industry. This is due to a high degree of negative sensationalism in the media. In general, people do not perceive the role of school bus driver as particularly important or rewarding. It is our job to change these misperceptions through a pro-active recruiting and public relations strategy.

A comprehensive recruiting process is critical to maintaining a steady flow of qualified applicants to fill open positions. Our experience shows that a number of factors can contribute to a shortage. Examples are:

- ✓ Relying on the transportation manager alone to develop recruiting strategies
- ✓ Relying on newspaper ads to generate the majority of new recruits
- ✓ Implementing stop-gap measures rather than analyzing results and developing long-term strategies
- ✓ Ignoring workplace factors that significantly impact recruitment and retention beyond traditional wage and benefits plans

First Student has implemented a series of innovative organizational and recruiting initiatives to find, attract and keep qualified school bus drivers. We created a national recruiting staff and a wide array of other resources. The purpose of this organization is to share best practices in recruiting, provide national resources to our local operating managers to help them execute effective strategies and oversee local recruiting activity and staffing levels.

First Student's recruiting strategy is a continuous, non-stop effort that involves several key concepts. First, local managers are required to report their recruiting activities and results on a regular basis. Second, the number of drivers in each phase of testing, training, and final certification is closely tracked with a goal of maintaining a steady stream of recruits. This step is critical in order to prevent "dry spells" without new drivers continually coming on line that are fully screened, qualified and ready to drive. Third, we are able to incorporate efficiencies, such as our third party background checks, to eliminate bottlenecks and decrease dropout rates along the way. Finally, the number of fully qualified and licensed drivers required to maintain full route coverage, is consistently tracked.

CRIMINAL HISTORY AND DRUG/ALCOHOL CHECKS

As the most critical component to the direct safety of the passengers on board our buses, First Student school bus drivers are a primary focus of company safety efforts. All driver applicants must participate in a pre-employment screening process in accordance with all state and federal laws. First Student's screening process not only meets these requirements but also exceeds them in a number of areas.

Criteria for Disqualification

- ✓ Conviction of an alcohol or drug related offense, including test refusal
- ✓ Positive drug or alcohol test results from former employer

- ✓ Conviction for three (3) non-moving, motor vehicle violations within the past 12 months (excluding parking tickets)
- ✓ Conviction of three (3) moving violations within the past 36 months
- ✓ Conviction within the past three (3) years of a motor vehicle offense which is a criminal offense
- ✓ Conviction for two (2) moving violations within 12 months of the past 24 months
- ✓ No more than two (2) chargeable accidents within a 36-month period in any vehicle
- ✓ Criminal background check with felony convictions or charges involving moral turpitude
- ✓ Absolutely no driver will drive a school bus, providing service under this contract, without first having obtained a current CDL and School Bus Drivers permit issued by the state.
- ✓ The Superintendent of Schools, or his designee, reserves the right to approve or reject any of the contractor's driver personnel. No drivers will be hired that have been previously disapproved by the district.

Motor Vehicle Record checks will be made on all drivers every six (6) months and disqualified if the previous standards are not met.

First Student utilizes DAC, a national applicant screening service, to provide the following information:

- ✓ County Criminal Search
- ✓ Employment Verification
- ✓ Motor Vehicle Report (MVR)
- ✓ Drug & Alcohol Test Results (for prior 2 years)
- ✓ TRAC Report from Experian & CBI
- ✓ Sex Offender Search
- ✓ Social Security Number Check
- ✓ State Criminal Search
- ✓ Education Verification (used for management positions only)

Criteria for Hiring/Retention

- ✓ Satisfactory appraisal from prior employers going back ten years, per USDOT requirements
- ✓ Successfully pass a pre-employment drug screen and subsequent random, reasonable suspicion, post accident and return-to-work testing per federal DOT requirements
- ✓ Successfully pass an annual USDOT physical examination with no limiting conditions for safe operation of a school bus
- ✓ Possess, or have the ability to obtain through company-provided training, a Commercial Driver's License (CDL) and State School Bus Drivers Permit.
- ✓ Annual copies of new health certificates, State School Bus Drivers permits, and valid CDL's prior to the start of school, and copies of police reports and data on all new drivers

Ongoing Safety Screens and Checks

- ✓ Mandatory monthly safety meeting attendance
- ✓ Random, reasonable suspicion, post accident and return-to-work drug and alcohol testing
- ✓ Daily observation at check-in
- ✓ Bi-annual MVR and criminal record checks on all drivers
- ✓ Show of current passenger endorsement when drivers pick up weekly paychecks
- ✓ Road supervision
- ✓ Periodic Behind-The-Wheel audits/retraining

During our initial interview, our management team checks the accuracy and completeness of candidates' applications, asks a number of questions to ensure that their background meets our hiring standards and job requirements and answers any preliminary questions that the applicant may have. Situational questions, a review of the applicant's record, attained certifications, neat appearance, motivation and desire for the position, and good communication skills will be the primary thrust of the formal interview process.



DRIVER TRAINING

All school bus drivers employed by First Student receive extensive pre-employment training and ongoing in-service training. All new hires will be required to successfully complete a minimum of 40 hours of a two-part initial training program, combining multimedia classroom instruction and behind-the-wheel instruction. The second part of the training program is often taught as a series of independent courses targeting a particular training challenge or situational need. First Student employs a variety of training techniques and reputable programs to maintain the interest of the student. Videos, role-playing, hands-on exercises, practice tests and behind-the-wheel training are all used to maximum advantage. We are also more than able to work with school districts in supplementing the curriculum with district-specific training.

Our initial classroom and Behind-The-Wheel (B-T-W) training program for new drivers is described in the table that follows. At the end of the training program, our staff evaluates the performance of each employee and determines whether additional or supplemental training is needed. A key component of our safety philosophy is to make sure that all of our drivers are fit and capable to safely drive school buses. If, from a final road check, a member of our supervisory staff still feels that a particular new hire is not ready to get behind the wheel – we will continue training or suggest other employment for the individual.

First Student New Driver Training	
Orientation	Reviews responsibilities of the driver job, the history and organization of First Student, AA/EEO policy, our Zero Accident Attitude program/safety lifestyle, and highlights of the training curriculum
Operating Policies and Procedures	Introduces employees to First Student and school district policies such as safety rules, personal conduct and appearance, driver standards and professionalism, accident reporting, driver recognition and incentive programs, route assignment procedures, etc.
Drug and Alcohol Policy	Relates our stringent policies and comprehensive testing procedures for drug and alcohol abuse and the effects they could have on passenger safety
Personal Safety Awareness and Attitude	Reviews the "attitude factor" in providing a safe, effective school bus service and reviews Employee Right-to-Know procedures

CDL	Provides intensive classroom training in preparation for the Commercial Driver's License exam. Modules include General Knowledge, Transporting Passengers (pre-trip inspection, loading, safe driving with buses). Air Brakes (air brake system parts, dual air brake systems, inspecting air brakes, using air brakes) and School Bus Endorsements.
Pre-trip Inspections	Details pre-trip inspection procedures including demonstration on actual service bus. Addresses our emergency equipment and specialized training
Vehicle Familiarity	Introduces drivers to the vehicle types used in servicing the district including various features of each vehicle type
Vehicle Maneuverability and Control Skills	Provides comprehensive behind-the-wheel training in off road skills and obstacle courses
Mirror Safety	Presents areas of vision in mirror usage and how to use the mirrors for maximum student safety
Smith System Defensive Driving Skills	Instructs drivers on the defensive driving techniques of a safe, professional driver through videos and instructor discussion. The second part of the course deals with putting into effect the techniques learned from the classroom in actual behind-the-wheel situations.
On-Road Vehicle Driving	Trains driver in actual on-road driving situations and allows the driver to put into effect all of their prior safety training
Loading and Unloading Procedures	Teaches drivers about school bus "trouble spots" and the "danger zone," the importance of setting parking brakes, and the importance of proper loading and unloading procedures
Railroad Crossing and Procedures	Teaches safety techniques for safely crossing railroad tracks at grade
Winter/Inclement Weather Driving	Tips and techniques to deal with winter conditions including skid control and recovery, low visibility driving, and snow day policies
Night Driving	Reviews relevant topics such as driving safely in the dark, driving while drowsy and alertness levels
Emergency Procedures	Instructs drivers on emergency assistance and reporting procedures including handling mechanical failures and breakdowns, fires, radio usage and student evacuations.
Passenger Management	Provides assertiveness training to effectively handle student misbehavior, reviews completion of student violation reports and reviews rules and procedures regarding discipline.

	Teaches drivers effective techniques for managing behavior-oriented problems and for appropriately connecting with the passenger. The course also encompasses identifying behaviors at various age groups and basic tips for behavioral management.
Special Needs	Although very customized and specific to the actual routes and types of special needs involved, this training module covers the transportation of students with orthopedic disabilities, transporting those with hearing and visual disabilities, those with mental disabilities or ADD/ADHD, students in alternative education programs. The program also encompasses emergency evacuations, handling bodily fluids, operating lift vehicles, making proper tie-downs and more.
Disability Awareness	Comprehensively addresses numerous awareness issues for drivers including correct terminology; specific information on various disabilities such as hearing-impaired, vision-impaired and mental retardation; assistant devices and their operation; wheelchair user assistance and techniques; support for ambulatory persons; seizure control; passenger complaints and commendations; appropriate versus inappropriate behaviors; evacuation procedures; and leaving vehicles
Staff Driver Evaluation	Evaluates the driver under the actual route conditions to identify any skill or procedural weaknesses that must be corrected. Staff recommends whether a driver is ready for route assignment, follow-up training and tests, or termination.

In-Service Driver Training and Monthly Safety Meetings

Besides the initial training program described above, all drivers and attendants participate in additional in-service training annually before school start-up and through required participation in monthly safety meetings. Our program also requires veteran drivers to pass a satisfactory pre-trip and B-T-W test per company policy. Each element of the in-service plan is designed to cover topics that are relevant to the season and/or situation as listed in brief below. However, it should be strongly emphasized that it is standard procedure to supplement our monthly meetings with daily safety awareness messages, ongoing safety campaigns, staff notices, road supervision, and targeted training to ensure a constant, daily focus on our safety priority.

In-Service Training

- ✓ Before school start – road check, targeted training, basic refresher, passenger management
- ✓ Fall/Winter driving hazards and techniques
- ✓ Winter/Spring driving hazards and techniques

- ✓ Monthly discussions of accident prevention techniques
- ✓ Safety awareness campaigns with group participation and occasionally with prizes
- ✓ Presentation of Safety Action Team (SAT) findings
- ✓ Manager and Safety Coordinator presentations
- ✓ School customer presentations/expectations and involvement
- ✓ Presentation of monthly and annual driver performance recognition awards

Passenger Management

One of the ongoing challenges of all student transportation systems is managing student behavior on board the bus. Unruly students not only pose a danger to other students, the bus driver, and themselves, but also to pedestrians and motorists on the street. The image of a busload of uncontrolled students is also one of the most negative stereotypes of our industry. It undermines the public's perception of schools and makes it even more difficult to attract talented people to work in our industry.

To resolve this situation, First Student has internally developed and implemented its own unique approach to managing student behavior, which we refer to as "Passenger Management." First Student incorporates time-honored techniques of student control such as assertive discipline into the driver training process. Our process goes beyond basic discipline and communication techniques to incorporate more comprehensive elements of student control. Passenger Management includes:

- ✓ Intensive driver training to address a wide range of disruptive situations
- ✓ Age and ability based methods of recognizing and responding to misbehavior
- ✓ The right to safe passage for all students on the bus
- ✓ Driver authority and support to immediately stop unsafe situations
- ✓ Linkage to school board policies regarding student rights and responsibilities
- ✓ Enhanced communication between transportation and district personnel to report and counsel misbehaving students
- ✓ Effective use of on-board tools including P.A. systems, video cameras and stereo radios
- ✓ Aged-based, in-school training on the rules of school bus safety
- ✓ Methods for dealing with more dangerous situations, including special radio codes, bus patrols, and community action teams involving police, where necessary
- ✓ Crisis management training

Elementary School Programs

In-school safety programs can be extremely helpful in teaching the youngest riders the rules and responsibilities of riding the school bus. At First Student, we provide the following kinds of safety programs and training to elementary school students:



- ✓ In-school school bus safety presentations using an entertaining, yet informative format for the youngest riders. Presentations may be made with Buster the Bus robot school bus, puppet shows, outside bus demonstrations, etc.
- ✓ Certificate of Recognition program for young riders' good conduct
- ✓ Emergency evacuation drill practice and procedures
- ✓ 10 Rules of School Bus Safety handouts
- ✓ 10 Rules of School Bus Safety training on the Internet for in-school and at-home viewing

Passenger Management Workshop

As students reach higher grades, particularly in middle or high school, a different approach is taken. At these age levels, school bus drivers, as well as student transportation managers and school administrators, must ensure that students clearly understand the behavior that is expected on board the bus and the consequences for misbehavior. All First Student school bus drivers are required to attend our Passenger Management Workshop prior to the beginning of each school year and during the year, if necessary to improve their skills. Bus drivers are responsible for maintaining discipline on board the bus and reporting all infractions to First Student management who will notify the district according to district policies.

DRIVER PROFESSIONALISM & PERFORMANCE RECOGNITION PROGRAMS

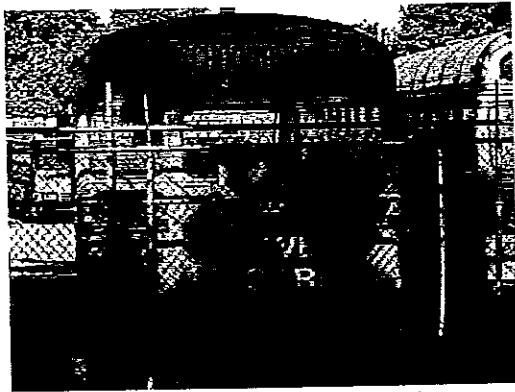
In addition to its comprehensive driver training process, First Student believes that expectation-setting and performance recognition play major roles in motivating employees to remain focused on our company's Safety Priority as well as contributing to positive labor relations. First Student's programs in this area are not only designed to motivate and reward superior individual performance, but they are also to provide widespread recognition to all team members who achieve the primary goal of safe, on-time performance. Following are descriptions of the driver-related safety recognition and incentive programs we have in place.

Safety Programs

First Student's highest commitment is to provide safe student transportation services to the passengers, parents, school district and community that we serve. First Student's approach to safety is more than a "program." It is a comprehensive process that becomes a living part of our organization and everything that we do. In this section, we highlight the key aspects of First Student's Safety Process as listed below.

CORPORATE SAFETY MISSION

Ensuring the safety of each of our passengers and each of our employees as well as school district personnel, parents and the general public is First Student's top priority and moral



obligation. As such, we invest a considerable amount of resources in safety training, incentives, programs, materials, tools and personnel. However, we firmly believe that no amount of training and investment can build a totally committed, safety-conscious organization without the dedication of each and every employee. Therefore, we begin our efforts from the CEO of our company on down to front-line management with a commitment to living a safety lifestyle and the obligation to ensure that the all of our workplace

activities are performed in a safe manner. First Student's Safety Policy and Principles are prominently displayed at all locations.

Safety Policies & Principals

First Student will not perform a service unless it can be done in a safe manner. First Student requires that all employees perform their duties safely and with the utmost concern for the safety of passengers, fellow employees and themselves. Management is committed to providing a safe place to work, a well-maintained fleet, protective equipment for shop maintenance personnel and all the necessary tools and training for employees to perform their jobs safely and effectively.

Management believes that working safely promotes quality, productivity and customer satisfaction. Furthermore, management is committed to maintaining an on-going comprehensive and prevention-oriented safety process as the organization's top priority. First Student's foremost priority must always be the safety of passengers and employees.

Principles of Safety

- ✓ Safety is a condition of employment; each employee must assume responsibility for working safely.

- ✓ Management is directly responsible for implementing programs to prevent accidents, injuries and illnesses, with each level accountable to the one above and responsible for the level below.
- ✓ Ongoing training is essential for safe work places.
- ✓ Safety audits must be conducted continuously.
- ✓ All employees should report unsafe acts and conditions.
- ✓ All deficiencies must be corrected promptly through modifying facilities, changing procedures, improving employee training, or disciplining constructively and consistently.
- ✓ All unsafe practices and incidents with injury potential, as well as all injuries, must be investigated thoroughly.
- ✓ Safety off the job is just as important as safety on the job.

SAFETY ORGANIZATION

Literally hundreds of employees on our team are specifically dedicated to assisting operating management with the execution of First Student's safety process, including the following roles and responsibilities:

Vice President, Safety

Responsible for planning and directing First Student's overall Safety Process; assessing the need for and development of safety training programs, tools and materials; working with operating management, government officials and industry leaders to ensure proper direction of the company's safety process.

Region Safety Manager

Responsible for direction, coordination, resource support and auditing of the First Student Safety Process at all operating locations within the region

Location Safety Coordinator

Responsible for assisting location operating management in the implementation of the First Student Safety Process including individualized driver assessment and training, supervision of Behind-The-Wheel trainers, conducting regular safety meetings and classroom training, and auditing and maintaining safety practices in the workplace.

Behind-the-Wheel (Driver) Trainers

Assists the Location Safety Coordinator by implementing Behind-The-Wheel training, skills development, and assessment of all drivers.

Safety Action Teams

Company policy requires an active Safety Action Team (SAT) at all locations. The team must include the Safety Coordinator and meet monthly at a minimum. Drivers, who comprise the

primary members of the team, are asked to participate on the committee on a voluntary, rotating basis. The SAT's role is to examine and make suggestions to operating management to eliminate unsafe actions and conditions in the workplace, including the offices, facilities, grounds, parking, school driveways and routes. The SAT's suggestions are taken very seriously and management must formally respond to all suggestions. In many cases, the best ideas for improvement are publicized and rewarded with prizes. SAT's across the country have taken simple actions such as devising methods to eliminate slippery walkways, filling potholes and other potential tripping hazards and devising bus parking methods to eliminate yard accidents. In not so simple cases, they have set up meetings with school personnel, public works and DOT officials to eliminate serious route hazards such as dangerous intersections, improperly trimmed trees, etc. SAT's also review location accidents and prepare recommendations on how such accidents can be avoided in the future.

Corporate Safety Support

First Student's corporate vice president of safety and Region safety managers provide additional expertise to operating and safety management in the following areas: OSHA standards and compliance, DOT and EPA standards and compliance, drug and alcohol testing and claims administration and management. In addition to corporate safety staff and experts in such as areas as law, insurance, and risk management, company-wide programs are in place in many areas with the assistance of outside consultants to ensure comprehensive and cost-effective compliance with such programs as drug and alcohol testing and environmental assessment and compliance.



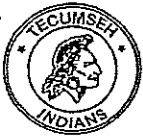
WORKPLACE SAFETY PROGRAMS

First Student is firmly committed to the safety and well-being of its employees and has numerous ongoing programs to maintain and continually improve workplace safety. These programs include:

- ✓ Identification of safety hazards on driver routes; work with school district and public safety office to eliminate extreme hazards or change routes
- ✓ "Zero Accident Attitude/Safety Is My Responsibility" ongoing safety awareness and accident prevention campaigns. Program materials include employee newsletters, button, bumper stickers, posters, two-way radio messages, contests and prizes
- ✓ "Fix It" cards for employee workplace improvement suggestion programs
- ✓ Safety Action Teams (SAT's) to study accident causes and recommend techniques for prevention as well as identification and recommendations to eliminate safety hazards
- ✓ Corporate assistance to local operating management in the implementation of workplace rules, practices and systems that meet OSHA and environmental compliance guidelines

- ✓ Back-to-school safety awareness newsletters and releases for parents, students and motorists
- ✓ Campaigns urging motorists to drive safely and respect stop-arm laws around school buses with the assistance of local and state police
- ✓ Participation in Operation Lifesaver with area railroads
- ✓ Participation in community evacuation drills and public safety demonstrations
- ✓ Public safety awareness campaigns tied to National School Bus Safety Week

EXHIBIT B



I. General Statement – Mission:

It is the mission of the Tecumseh Public Schools Transportation Department to ensure the safety of all students while riding buses to and from school, on field trips and other special events.

II. General Statement – Goals:

It is the goal of the Tecumseh Public Schools Transportation Department to provide safe and economical transportation to those children eligible for the service. In the organization and operation of the district's transportation system, all applicable statutes, rules and regulations of the State of Michigan, or its agencies, shall be adhered to, and recommendations and suggestions made by the state and its agencies shall be considered.

In every instance, the first consideration shall be the safe transportation of all eligible pupils. Careful consideration shall also be given to efficiency of the operation as it relates to the overall budget of the district.

Tecumseh Public Schools recognizes that the primary responsibility for the safety and conduct of students using Tecumseh Public School buses rests with the parents until the child/ren actually board the bus for the school and immediately following their exit from the bus on the return trip.

III. Administration:

The Superintendent of Schools, or designee, shall assure that the following transportation criteria be used to set up bus routes and bus stops:

Criteria Used To Set Up Bus Routes And Bus Stops:

- Bus safety issues:
 - Consideration of additional bus stops when no sidewalks are available.



- Streets/roadways with high traffic volume are considered for additional bus stops.
- Length of bus ride.
 - Strive to limit bus ride to 1 hour or less.
- Economic implications.
- Student enrollment.
- Consistency with bus stops throughout the district:

Out – of – town

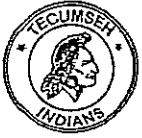
- Stops at least 200' apart in rural areas (based on the safety of students).
- Consolidated bus stops by subdivisions (the entrance will be used for pick-up and drop-off).

In – town:

- Establish bus stops based on walking distance to the school.
- Stops normally will remain the same unless a safety issue surfaces.

Eligibility To Ride Buses:

- Grades 1-12 live over 1 mile from school (unless safety issues).
- Grade Kindergarten live over 1 mile round trip from school (unless safety issues).
- Bus will not enter an area for bus pick-up/drop-off that does not have a separate entrance/exit unless there is a particular issue that could be a safety issue.
- Every effort will be made for all Kindergarten students to be picked up and dropped off at his/her residence. It is preferred that a parent or older sibling be present with all Kindergarten students during pick-up and drop-offs.



Traffic Flow:

- Tecumseh Public Schools has defined the following roads as major streets in Tecumseh: **M-50; M-52; Russell Road and Occidental Hwy.**

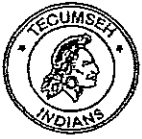
Walkers To School:

- It is the practice of Tecumseh Public Schools for no student walkers to cross any of the above mentioned major roads unless the following exceptions.
 - In the City where traffic lights and cross walk signals are used
 - Crossing the street to board a bus when the bus is present, and signals are in operation.
- It is the practice of the bus drivers of the Tecumseh Public Schools Transportation Department to not allow students to enter or exit the bus until all traffic movement has stopped. Every effort will be made to provide right hand pick-up and drop-off for students on all main roads.

IV. Operation Guidelines:

Every pupil eligible for transportation shall be assigned a stop and the use of another will not be permitted. It is recognized that certain conditions may exist which could require the pupil to temporarily use a different stop. In these instances, the Bus Transfer Slip shall be addressed to the building principal by the parent. The request shall be for a specified period of time, and if approved, shall be subject to the following conditions:

1. The change must not result in any of the following:
 - a) Overcrowding of any bus;
 - b) Alteration or extension of any bus route or time schedule;
 - c) Change in any bus stops.



2. In case of emergency, parents may request the Principal to waive the written request requirement. In these instances, the Principal is required to coordinate the necessary emergency action with the Transportation Supervisor.
3. In an emergency situation, the Transportation Supervisor, or his/her designee, will provide directions to the driver.
4. Drivers are instructed to transport only their regularly assigned passengers. They shall not transport any person other than pupils, teachers, chaperones, or other persons authorized by the Board of Education.

Special Extenuating Circumstances - - Guidelines:

The Transportation Advisory Committee shall consist of the Transportation Supervisor, Superintendent, or designee, and a parent who will act upon each special request, based on extenuating conditions. Parents who receive approval to have their child(ren) ride a bus under this provision must apply to the Tecumseh Public School district annually for such consideration.

Video Camera:

A video camera may be used on any transportation vehicle.

V. Field Trips / Special Trips Rules:

1. The primary purpose of the Tecumseh Public Schools Transportation Department is to transport eligible children to and from school. Therefore, transportation equipment and personnel shall be used secondarily for field trips and extracurricular activities.
2. The superintendent, or his/her designee, shall authorize the use of buses for field trips. All arrangements for buses are to be made by administrators on forms provided by the Tecumseh Public Schools Transportation Supervisor.
3. Only students enrolled in Tecumseh Public Schools, staff and chaperones authorized by the building administrator shall be allowed to ride buses assigned for the field trip.
4. Students transported for a field trip or any other extracurricular activity must return to the point of origin of the field trip on the bus. An exception shall occur when a student



provides a written note to the coach or teacher to ride home with her/her own parent before the bus departs to the location of the activity.

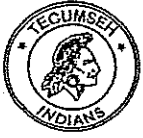
5. At least one teacher or adult shall chaperone each special bus trip, with more than one adult person recommended whenever possible.
6. The coach or teacher accompanying students on a special trip shall be responsible for the conduct and disciplining of the students. However, the driver shall be responsible for the safety of the passengers and the vehicle and may refuse to continue the trip under disorderly circumstances if the driver has first warned the coach or teacher that such an eventuality would take place if the disorder continues. Drivers have the authority to determine the most direct route to and from the designated destination. However, it is recognized that emergency situations can occur, and in such circumstances, decisions should be mutually made by the coach or teacher and the driver.

VI. Bus Regulations / Discipline:

The Transportation Department of Tecumseh Public Schools recognizes that because of working parents and babysitters, some accommodations for parents may be necessary in providing transportation for students. Certain guidelines and regulations have been developed to provide direction for students and parents, as well as to insure the safety and welfare of students and at the same time provide effective service.

Guidelines:

Parents who wish to have their child(ren) picked up/delivered to a residence other than their home residence for the school year must fill out a Transportation Request Form. This will only be done on a Monday thru Friday basis. Pick-up location must be all scheduled days and drop-off location must also be for all scheduled days. Forms should be filled out and returned to the Transportation Office by the end of July of each school year.



The address for the Transportation Department of Tecumseh Public Schools is as follows:

TECUMSEH PUBLIC SCHOOLS

700 S. Maumee Street

Tecumseh, MI 49286

Additional request forms may be picked up at either the Transportation Office of the Tecumseh Public Schools Board of Education Office. After the July deadline, routes will be established to provide transportation to homes we have listed as residences.

ADOPTED BY BOARD OF EDUCATION: December 11, 2000