



PALISADES CHARTER HIGH SCHOOL

AGREEMENT TO PROVIDE TRANSPORTATION SERVICES

This Agreement to Provide Transportation Services (“Agreement”) is made between American Transportation Systems (“ATS”), a California Corporation, and Palisades Charter High School (“PCHS”).

RECITALS

ATS is a provider of transportation services, including providing various buses to schools and school districts; and

ATS and PCHS desire to enter into this Agreement with ATS to provide Student Pupil Activity Bus (SPAB) service from school to school for its students in the morning, afternoon, and for special events (field trips, athletic events, etc.); and

ATS and PCHS are willing to enter this Agreement upon the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the agreements stated herein, and such other and further consideration exchanged between the parties, ATS and PCHS agree as follows:

1. This Agreement commences on July 1, 2018 (“Commencement Date”) and ends on June 30, 2021 (“Term”).
2. ATS shall make available up to eighteen (18) buses per school weekday during the Term. Fuel shall be paid for and provided by ATS. All buses made available by ATS under this Agreement shall be certified/approved buses, as defined by applicable California statutory or administrative codes.
 - a. California (CA) CHP required maintenance, regular preventive maintenance, and any reactive repairs/maintenance shall be performed/practiced by ATS in a timely manner and adhere to all Federal, California, City of Los Angeles and Los Angeles Unified School District (“LAUSD”) requirements, and ATS shall contractually require the same of their affiliates on all buses used to service PCHS.



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- b. All buses used for servicing PCHS, whether to/from school or trips, to utilize any available GPS Tracking capabilities as soon as possible so PCHS and ATS can know where buses are at all times.
3. PCHS shall work with or provide ATS with the number of buses required for each pick-up time/location, shall work with or provide the routes/stops of each bus and shall confirm all pick-up and delivery times not already stated herein to ATS at least two weeks prior to the Commencement Date. Routes are assumed but not required to be consistent with previous year's routes already determined and in practice by PCHS, and are not to change without mutual consent of both parties. ATS will assist in route optimization upon a reasonable number of PCHS' requests.
 - a. Up to eighteen (18) buses will pick students up at various other schools in the morning and deliver them to PCHS. At the end of the school day, up to eighteen (18) buses will pick students up at PCHS and take them back to the scheduled schools. Primary afternoon pull-times from PCHS are 2:20pm and 3:25pm, with bus arrival times on campus to be 20-35 minutes before the pull-time. Vehicles servicing only these specific afternoon PCHS pull-time/pickups are referenced as "Type 1" buses.
 - b. Up to three (3) of the buses picking up students at 2:20pm will return to PCHS to do a second pick up and delivery of students with a pull-time at approximately 5:45pm ("Late Bus"), with bus arrival times on campus to be 15-45 minutes before the pull-time. Vehicles servicing both a 2:20pm and 5:45pm pull-time-from/pickup-at PCHS are referenced as "Type 2" buses. Type 2 buses cannot regularly exceed 13 hours of service from 1st pick up in AM route to last drop off in PM route.
4. For the 2018-19 School Year: ATS will charge PCHS the sum of \$513.00 per day for each of the up to eighteen (18) Type 1 buses PCHS anticipates using each day, which PCHS agrees to promptly pay in accordance with the terms of this Agreement. ATS will charge PCHS the sum of \$636.00 per day for three (3) Type 2 buses. Should unusually large increases in industry costs arise ATS reserves the right to renegotiate rates. Increase in such costs must be verifiable, and PCHS reserves the right to refuse such additional cost increases if its budget cannot afford such additional increases.



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5. For the 2019-20 School Year: ATS will charge PCHS the sum of \$525.83 per day for each of the up to eighteen (18) Type 1 buses PCHS anticipates using each day, which PCHS agrees to promptly pay in accordance with the terms of this Agreement. ATS will charge PCHS the sum of \$651.90 per day for three (3) Type 2 buses. Should unusually large increases in industry costs arise ATS reserves the right to renegotiate rates. Increase in such costs must be verifiable, and PCHS reserves the right to refuse such additional cost increases if its budget cannot afford such additional increases.

6. For the 2020-21 School Year: ATS will charge PCHS the sum of \$538.98 per day for each of the up to eighteen (18) Type 1 buses PCHS anticipates using each day, which PCHS agrees to promptly pay in accordance with the terms of this Agreement. ATS will charge PCHS the sum of \$668.20 per day for three (3) Type 2 buses. Should unusually large increases in industry costs arise ATS reserves the right to renegotiate rates. Increase in such costs must be verifiable, and PCHS reserves the right to refuse such additional cost increases if its budget cannot afford such additional increases.

7. Within the first 20 school days of the start of classes for students in a new school year, PCHS may cancel buses with 14 days' notice unless otherwise agreed upon by both parties. After 20 school days has elapsed, PCHS may cancel vehicles with 30 days' written notice unless agreed upon by both parties. Should any cancellation result in less than 10 vehicles remaining in service for the daily routes, PCHS agrees to pay a 5% price increase of the original sum charged for each bus and equivalent to the number of buses cancelled below 10 buses. For example, for the 2018-19 school year, if a cancellation by PCHS results in nine (9) buses remaining in service, ATS will charge PCHS the sum of \$538.65 per day for each Type 1 bus, and \$667.80 for each Type 2 bus; if the cancellation results in eight (8) buses remaining in service, ATS will charge PCHS the sum of \$564.30 per day for each Type 1 bus, and \$699.60 for each Type 2 bus; and so forth. Should any of the cancelled vehicles be re-instated on a permanent basis the 5% price increase will cease per re-instated vehicle. Vehicles may not be cancelled by PCHS in order to use another bus company's services on the route unless agreed upon by both parties.



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8. ATS will also provide vehicles to PCHS for school field trips, special events and athletic activities upon one (1) week's prior notice. For the 2018-19 school year, the 2019-20 school year, and the 2020-21 school year, the rates for these events will be \$79.00/hour, \$80.98/hour and \$83.00/hour respectively for each school bus, with a five (5) hour minimum; and \$99.00/hour, \$101.48/hour and \$104.02/hour respectively for a coach bus, with a five (5) hour minimum; and premium coach buses will be \$129.00/hour, \$132.23/hour and \$135.54/hour respectively, with a five (5) hour minimum. Should unusually large increases in industry costs arise ATS reserves the right to renegotiate rates. Increase in such costs must be verifiable, and PCHS reserves the right to refuse such additional cost increases if its budget cannot afford such additional increases. Cancellation of any buses relating to field trips, special events, and athletic activities will be treated as follows:
 - a. Two (2) or more business days before the scheduled trip day = 100% Refund
 - b. Up to Noon of the business day before the scheduled trip day = 50% Refund
 - c. Any other timeframe = Non-Refundable
 - d. Cancellation within 24 hours due to Acts of God, Tragedy, or Catastrophe or failure to advance in tournament/playoff situations for competition events will be 100% refundable.
9. ATS agrees that all buses used regularly to service PCHS will be not be manufactured before January 1, 2000 for ATS in-house/owned buses, and for any affiliate or sub-contracted buses. Unless for short-term repair situations, ATS agrees to seek express approval from PCHS before using any bus that does not meet these age parameters in this paragraph but which may be of equivalent good operating condition. ATS's failure to provide buses manufactured before January 1, 2000 absent a short-term repair or express approval from PCHS, will result in a \$50 discount per older bus per day.
10. PCHS requires the drivers of all PCHS related buses to follow and enforce all of PCHS's policies, procedures, rules and regulations as outlined on PCHS's School Bus Transportation web pages. This includes, but is not limited to, dropping students off at PCHS in the proper location (unless instructed otherwise by PCHS personnel), not blocking student crosswalks, utilizing bus rosters and only allowing students authorized and permitted to ride a PCHS school bus to actually board and ride the bus. Students without valid ID or without valid authorization should not be permitted to ride the bus. This is the driver's responsibility at all times for all trips, even when picking up students at PCHS.



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11. For purposes of ensuring timely communication with PCHS parents, ATS agrees to require that its drivers report route delays to ATS Dispatch as follows:
 - a. In the event that the driver's bus will be delayed more than fifteen (15) minutes passed their scheduled pull-time at their morning pick-up stop; and/or
 - b. In the event that the driver's bus will be delayed more than twenty-five (25) minutes passed their scheduled drop-off time at their afternoon drop-off stop.PCHS retains the right to request removal of any ATS driver who, in PCHS' determination, persistently fails to report route delays according to this paragraph.

12. ATS agrees to report to PCHS all PCHS related bus accidents, PCHS related bus damage, or incidents of PCHS student misbehavior (or unsafe behavior) to appropriate PCHS personnel (including Transportation or Security Staff and/or other members of PCHS Administration) in a timely manner, and in no circumstance more than two (2) hours after the incident occurred. In addition, all such incidents are to have a written Incident Report created and delivered to appropriate PCHS personnel within six (6) hours of the incident.

13. The parties agree that unless for Acts of God, Tragedy, Catastrophe, or a verifiable traffic accident that directly caused delays, not to be unreasonably contested by PCHS, the following late arrival penalties will be imposed on ATS as follows:
 - a. For morning arrival at PCHS - unloading in proper drop-off location not started:
 - i. By or before 8:00am is a \$50 discount in billing to PCHS/Bus/Day – This level late penalty to have an allowance (Mulligan) of 1 minor lateness per month per bus before this penalty is assessed
 - ii. By or before 8:30am is a \$100 discount in billing to PCHS/Bus/Day
 - iii. By or before 9:00am is a \$150 discount in billing to PCHS/Bus/Day

 - b. For afternoon arrival at PCHS for the 2:20pm or 3:25pm pull-time buses – student boarding in proper pick-up location not started:
 - i. By or before 15 minutes past the scheduled pull-time is a \$50 discount in billing to PCHS/Bus/Day – This level late penalty to have an allowance (Mulligan) of 1 minor lateness per month per bus before this penalty is assessed



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- ii. By or before 45 minutes past the scheduled pull-time is a \$100 discount in billing to PCHS/Bus/Day
 - iii. By or before 75 minutes past the scheduled pull-time is a \$150 discount in billing to PCHS/Bus/Day
- c. Each of the above late penalties to increase by 2.5% Year-over-Year after the initial contract year.
14. PCHS understands and agrees that ATS reserves the right to lease, sub-charter or otherwise arrange for the availability of sufficient busses from a third party, but ATS is responsible for ensuring requirements of those arrangements. However, unless for unique and extreme circumstances, ATS will, to the best of its ability, provide at least 80% of the vehicles on the routes internally (not from affiliates or sub-contracted) when 15 or less buses total are used for services to PCHS. Unless for unique and extreme circumstances, ATS will, to the best of its ability, provide at least 65% of its vehicles internally in the event that 16 to 20 buses total are used for services to PCHS. This does not apply to routes with a pickup originating more than 35 miles from ATS's Yard (3133 E South St., Long Beach, CA 90805) or that require on a daily basis for a driver to get to the ATS Yard in the morning before 5:00am and still leave the yard to be able to service their route and get students to PCHS by 7:40am. As service continues, ATS will strive to incorporate more internal buses and fewer affiliates. Should PCHS witness reoccurring issues with an affiliate, ATS will expedite the replacement of such affiliate.
15. All drivers provided by ATS will have proper and current permits, licenses and certifications to drive their respective buses. Each driver and each bus will have adequate general and auto liability insurance with coverages and in amounts typically used for the services described in this Agreement, but liability limits will not be less than \$5,000,000 in Combined Single Limit per Occurrence coverage. ATS shall also maintain Workers' Compensation insurance as required by law and to protect ATS from claims, which may arise from its operation under this Agreement. ATS will provide proof of its insurance to PCHS at least one week prior to the Commencement Date, which PCHS shall agree to in writing, and upon written request from PCHS at other times of year with ten (10) business days' notice.



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16. Before providing service to PCHS, all ATS drivers must be approved by PCHS's Human Resources Director or designee, obtain tuberculosis ("TB") test clearance, and submit to criminal background checks and fingerprinting consistent with the Education Code and as required of all PCHS staff having direct contact with students. ATS will maintain at all times two (2) extra substitute drivers that are approved by PCHS in the manner set forth in this paragraph, and for which PCHS has first right of refusal/use based on PCHS's need for substitute drivers before those substitute drivers are deployed for non-PCHS use on any given day. In the event ATS has to utilize a driver that is not PCHS approved, ATS must so notify PCHS within two (2) hours of the driver/bus leaving the yard. ATS's use of drivers that are not PCHS approved that exceed 5 times in a calendar month, will result in a \$50/day per driver billing discount.
17. Neither ATS, its employees or its Agents shall be considered to be an Officer, Agent, or Employee of PCHS. PCHS shall have the right to request removal of any of ATS's employees from providing services under this Agreement provided that such request is made in writing with the reasons set forth and provided that such request does not violate any laws against discrimination.
18. ATS will be required to provide access to any and all operational records related to the provision of services under this Agreement, and kept in the ordinary course of business, to PCHS within ten (10) business days of PCHS' written request for such records.
19. To the extent permissible by law, ATS shall hold harmless and indemnify PCHS, its Governing Board, Officers, Agents, and Employees from every claim or demand which may be made by reason of any injury to person or damage to property sustained by any person, firm or corporation, to the extent that such injury or damage was caused by any negligent act or omission or willful misconduct of ATS or of any person, firm, or corporation, directly employed by ATS upon or in connection with its performance under this Agreement. Any claims or demands which may be made by reason of any injury to person or damage to property, to the extent that such injury or damages was caused by any negligent act or omission or willful misconduct of any subcontractor of ATS, shall be determined according to the arrangements between ATS and its subcontractor, and in no event shall PCHS assume such responsibility. To



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the extent permissible by law, PCHS shall hold harmless and indemnify ATS, its Officers, Agents, and Employees from every claim or demand which may be made by reason of any injury to person or damage to property sustained by any person, firm or corporation, to the extent that such injury or damage was caused by any negligent act or omission or willful misconduct of PCHS or of any person, firm, or corporation, directly or indirectly employed by PCHS upon or in connection with its performance under this Agreement.

20. ATS will invoice bi-weekly. Payment is due as in Net15 payment form, except for trips specifically for Competition Events and Field Trips which will have Net30 payment terms. After 12/31/2018, payment for all trips will be due in Net30 payment terms. All overdue and uncontested payments will be subject to an immediate 2% late fee plus an additional 2% per month thereafter.
21. PCHS may terminate this Agreement with cause with 30 days' written notice and without cause with 180 days' written notice. ATS may terminate this Agreement without cause with 180 days' written notice, and with cause with 30 days' written notice. Cancellation for cause due to performance issues will require cancelling party to sufficiently demonstrate that violating party did not make reasonable and successful efforts to correct the issues. Cancelling party must provide written notice within thirty (30) days of discovering the performance issue. Violating party will have thirty (30) days to correct said issue following the date of written notice. All previous earned income will be due upon final day of service prior to cancellation.
22. This Agreement shall be governed by the laws of California without regard to its conflict of laws principles.
23. This Agreement was drafted with the input of both parties and their legal counsel. In the event any portion of it is claimed to be vague or ambiguous it shall not automatically be construed against either party under the rules of contract construction.



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24. Notices to be made by first class mail, telephonically or by email. Notices by mail are effective after 4 business days of postmarked mailing.

If to ATS:

Address: 3133 E SOUTH ST.,
LONG BEACH, CA 90805
Email: DAN@AMTRANS.US
Telephone: 562-531-8000 ext. 701
Email: BELINDA@AMTRANS.US
Telephone: 562-531-8000 ext. 700
Attn: Dan Wilson

If to PCHS:

Address: 15777 Bowdoin St.
Pacific Palisades, CA 90272
Email: pmagee@palihigh.org
Telephone: 310-230-6630
Email: dparcell@palihigh.org
Telephone: 310-230-6625
Attn: Dr. Pam Magee

25. This Agreement is the complete agreement of the parties with regard to the subject matter stated herein, except for all information required to be provided by either party. That information, when provided, is incorporated into and made apart hereof. This Agreement supersedes any other written or oral agreements. There have been no representations made to induce execution of this Agreement.

26. No waiver by either party shall be effective unless such waiver shall be contained in a writing or electronic transmission expressly confirmed by the receiving party.

Dated at Long Beach, California and Los Angeles, California as of the date first written above.

American Transportation Systems

Palisades Charter High School

By: DW
Signature

By: _____
Signature

By: Dan Wilson
Print Name

By: _____
Print Name

By: CEO
Title

By: _____
Title

Date: 9/12/18

Date: _____