

SCHOOL BUS MAINTENANCE AGREEMENT

This School Bus Maintenance Agreement is entered into by and between the Covington Independent School District, a body politic of the Commonwealth of Kentucky (hereinafter referred to as “Covington”) and the Ludlow Independent School District, a body politic of the Commonwealth of Kentucky, hereinafter referred to as (“Ludlow”). The effective date of this Agreement is July 1, 2021.

WHEREAS, Ludlow owns and operates a school bus fleet as permitted by law;

WHEREAS, Covington owns and operates garage facilities for the maintenance of its own school bus fleet;

WHEREAS, Covington has the capacity to offer school bus maintenance services to Ludlow and Ludlow desires to make use of such services, and

WHEREAS, the parties desire to reduce their agreement for the provision of such school bus maintenance services to writing,

NOW THEREFORE, in consideration of the mutual promises and payments described herein, the parties agree as follows:

1. **Term.** The term of this Agreement shall be one (1) year commencing on July 1, 2021 and ending on June 30, 2022.

2. **Services.** Covington shall provide the following services under this agreement:

- regular maintenance including required monthly inspections,
- necessary repairs,
- other work performed on Ludlow’s buses by agreement of the parties,
- all Kentucky Department of Education paperwork regarding bus maintenance and/or repairs at the time such work is completed,
- receive prior approval for repairs exceeding \$3,500 in cost to Ludlow,
- prioritize all work completed hereunder in its sole discretion.

Ludlow shall deliver and pick up buses at the Covington garage location as directed by Covington, and shall schedule all work to be completed prior to the delivery of any bus.

3. **Payment/Pricing.** Payment for the Services shall be made as follows: in full within 60 days of completion of the work performed.

Pricing shall be as follows:

Labor Rate: \$80/hr.
Parts mark up: No markup (Covington sells parts to Ludlow at cost)

4. **Indemnification.** The parties agree to indemnify, defend, and hold each other harmless for all liability including bodily injury that may result from activities described herein only to the extent permitted under Kentucky law. The parties acknowledge that each is entitled to certain levels of immunity from liability as governmental entities, and neither party, by entering this contract, intends that this Agreement act as a waiver of any immunity to which it may be entitled under applicable law.

5. **Insurance.**

A: Ludlow shall maintain primary insurance coverage on any of its buses which may be serviced/inspected/repaired pursuant to this agreement. Covington shall maintain secondary insurance covering Ludlow's buses while in Covington's possession in such amounts and types as may be deemed reasonable in Covington's sole discretion.

B: Covington shall maintain primary insurance on any of its buses which are loaned to Ludlow pursuant to this agreement. Ludlow shall maintain secondary insurance covering Covington's buses while on loan in an amount of at least One Million Dollars.

6. **Project Coordination.** All work shall be coordinated by the parties subject to the discretion of Covington to prioritize all work performed.

7. **Inspection.** Ludlow shall inspect all work upon acceptance of the return of any bus upon which work has been performed.

8. **Termination.** Either party may terminate this agreement by ninety (90) days written notice to the other party

9. **Warranties.** No warranties, express or implied, are made by either party relative to the state of repair of Ludlow's buses or any work performed by Covington.

10. **Miscellaneous.**

- a. The terms of this Agreement shall be governed by the laws of the Commonwealth of Kentucky;
- b. This Agreement may be executed in two (2) originals, with each party maintaining an original;

- c. The parties agree that any dispute that may arise out of this Agreement shall be handled through mediation prior to either party commencing litigation. The parties shall make their best efforts to agree on a mediator for any such dispute.

NOW THEREFORE, the parties to this Agreement do hereby agree to the terms and conditions and signify their agreement with their signatures below:

**LUDLOW INDEPENDENT
SCHOOL DISTRICT**

**COVINGTON
INDEPENDENT SCHOOL
DISTRICT**

By: _____
Its: _____

By: _____
Its: _____

ATTEST:

ATTEST:
