



School Transportation Agreement

This Agreement made and entered into this ___ day of _____, 2025 by and between School Transportation Systems LLC (hereinafter STS) and Elizabethtown Independent Schools (hereinafter District).

Purpose The purpose of this agreement is for District to employ STS to undertake a review of its bus routing system and to propose improvements to the bus routing system designed to save time and money and improve the quality of services provided by the District (the project). STS will not implement proposed improvements under this Agreement: implementation will be done by the District with STS's support. The project will last three complete school years beginning on the date set forth above and ending on June 30, 2028, unless extended to a four-year contract as per the "schedule of payments to STS." This project will entail the following stages/approaches/methods lead by STS:

- (1) An initial meeting with District Senior Leadership to define and understand the project (no cost to School District if the District chooses not to proceed beyond the initial meeting)
- (2) STS will conduct assessment reviews and information gathering exercises to determine baseline information
- (3) STS will engage District Senior Leadership in the project to the end that the District has the knowledge and ability to continuously improve its bus routing system in the future (transfer of STS's proprietary software and algorithms is not part of this agreement)
- (4) STS will review the District's existing bus routes and will evaluate more efficient routing strategies. In order to conduct the routing review, District will furnish STS with "initial bus routing information." Initial routing information includes (1) current bus routes, including stop addresses (number, street, city, zip) for each morning, afternoon, and mid-day route as well as the name of each student getting on or off the bus at that bus stop, if available; (2) the distance driven, start time, and travel time for each route, if available; (3) for each special needs or preschool route: bus monitor requirements and vehicle equipment requirements (e.g. wheel chair lift); (4) for each transfer or shuttle route (for example: from elementary to middle or high school): the location of each stop and the number of students picked up or dropped off at each stop; (5) the opening start time (breakfast serving time) and closing bell time for each school; (6) the name, street, street number, city and zip code for each school; (7) the grades served at each school; (8) as specified by STS, a data export of transportation-related student information from the student information system in a format specified by STS, and/or a data export of student home address information from a STS-designated data gathering website; (9) a data export from any transportation management software (or spreadsheet) used by the District to track bus routes and riders in a format specified by STS; and (10) provide STS with afternoon bus rider counts for each bus at each school, taken by personnel other than bus drivers, on the following dates: during the fourth week of school each fall, during the second week of school following the December break, and during the second week of school following spring break. STS will present opportunities for improving bus route efficiency throughout the contract term, as they are discovered, and will assist District personnel in the implementation of routing changes on a timeline to be mutually agreed upon by the District and STS. The first proposed route changes will be contained in the first "interim report."
- (5) STS supports the Kentucky Center for Performance Excellence [a KY 501(c)(3) charitable corporation, one of whose purposes is to provide savings and improvements to Kentucky school districts]
- (6) STS will conduct many aspects of the project using Lean/Six Sigma DMAIC methods:
 - a. Define – explaining the problems/issues present using understandable language
 - b. Measure – determining the baseline performance trends and cost to the District of the issues/problems it has chosen

- to address in the project
 - c. Analyze – determining the “root causes” of the issues/problems
 - d. Improve – developing and implementing a plan to correct/minimize the root causes
 - e. Control – putting processes in place to monitor/standardize utilization of the improvements and to address issues or variation of performance that develop over time
- (7) STS and the District’s Leadership Team will meet a minimum of 3 times onsite following the initial agreement signing meeting as well as virtually in the times between onsite meetings; either party may request a virtual meeting
- (8) STS will mentor and advise District throughout the project to ensure that the proposed improvements are implemented and are successful

Schedule The proposed schedule for the project is attached. The Parties may vary the schedule by agreement

Obligations of the Parties The Parties undertake the following obligations:

District agrees to (1) assign appropriate District senior leadership personnel (in addition to transportation department personnel) to work with STS including personal involvement of the Superintendent in all on-site meetings with STS personnel; (2) support senior leadership personnel assigned to work with STS by permitting them sufficient time away from other duties to work on the project; (3) promptly inform STS of any changes to personnel assigned to the project; (4) promptly supply STS with the information requested by STS; (5) take whatever actions are necessary to provide STS with accurate data; (6) provide access to: the District’s transportation software data set (if any), up-to-date GIS maps at no charge to STS (if available), and access to District’s Student Information data as needed for the project; (7) purchase and implement Transfinder route management software and Zonar GPS hardware/software within 90 days of beginning date of this Agreement; (8) cooperate fully through all stages of the project; (9) not implement any of the plans contained in any interim report without fully compensating STS in the manner set forth below; (10) recognize and respect STS’s copyright to the materials and processes used in the project by not making any such materials or processes available to any other person or organization without STS’s written permission, except where required by law; (11) recognize and respect the intellectual property of software providers used by, or recommended by STS in the project by not making any such materials or processes available to any other person or organization without STS’s written permission, except where required by law; (12) pay STS for its work as set forth in the table below; (13) not disclose the terms of this agreement without the express written consent of STS, except where required by law; and (14) complete and submit to STS a STS project evaluation form at the end of the project.

STS agrees to (1) assign qualified personnel to the project; (2) manage its personnel assigned to the project; (3) provide access to the project manager and STS senior management throughout the project; (4) promptly inform District of any changes in personnel assigned to the project; (5) supply District with the information as set forth in the proposed schedule; (6) train District personnel in the use of Transfinder route management software; and (6) cooperate fully through all stages of the project.

Early Termination of Agreement

By District. If after the first interim report (or other presentation of proposed route changes) is presented by STS, District decides not to implement the changes contained in the interim report (or contained in other presentation of proposed route changes), District may terminate this Agreement by providing notice of termination by e-mail and by certified mail, return receipt requested; termination to be effective three business days following the date of giving notice. In the event of termination by District, the obligation of District to pay for any improvements contained in any interim report, or in any communications by STS to the District, that are implemented by District shall survive such termination and shall be fully enforceable by STS during the original term of the Agreement.

By STS. If after signing this Agreement the District does not fulfill its obligations as set forth immediately above (e.g., the obligations to promptly supply data, the obligations to assign and maintain senior leadership personnel, and etc.), STS may terminate its duty to perform further under this Agreement. STS shall provide notice of termination of its duty to perform by e-mail and by certified mail, return receipt requested; termination of STS's duty to perform is effective three business days following the date of giving notice. In the event that STS terminates its duty to perform under this Agreement for District's failure to fulfill District's obligations, the obligation of District to pay for any improvements contained in any Interim Report, or in any communications by STS to the District, that are implemented by District shall survive such termination and shall be fully enforceable by STS during the original term of the Agreement.

Student Data –Protection of Personal Information STS shall not request and District shall not provide to STS supplemental information as stated in KRS 61.931 (6)(a)-(f), which information when combined with a student's first name, or first initial and last name, or personal mark, or unique biometric or genetic print or image constitutes "personal information." STS shall not have direct access to District's student information system, but shall request from District such data sets of student information that STS may require for its work. District will supply STS with requested data sets in electronic format. Nothing in this paragraph shall prevent District from supplying to STS student name and address information, identification number, name of school attended, grade, bus stop, or other information necessary for STS's performance of this agreement so long as such information falls outside the definition of "personal information" as defined above. Further, STS agrees to keep all information that identifies students confidential and not release such information to anyone outside the STS employees and contractors working on the project.

If either Party to this agreement believes that a breach of the prohibition against the supplying of "personal information" has occurred, that Party shall promptly report such belief to the other Party by email communication. If the Parties agree that a breach has occurred, the Parties will work together to remedy such breach as expeditiously as possible. If either party is dissatisfied with the progress or rate or progress in remedying such breach, or if the Parties do not agree that a breach has occurred, the Party believing a breach has occurred may seek its redress in Fayette County, Kentucky Circuit Court.

Schedule of Payments to STS

Stage of the Schedule	Amount to be Paid
Year 1 (7/1/2025 – 6/30/2026)	See Table
Year 2 (7/1/2026 – 6/30/2027)	See Table
Year 3 (7/1/2027 – 6/30/2028)	See Table
Year 4 (7/1/2028 – 6/30/2029)	See Table
Summer school savings for any year shall be paid on or before August 31 following the end of summer school	45% of the cost savings resulting from reduction in the number of bus drivers and monitors from the previous year resulting from optimization of routes
Increase in students eligible for state transportation payments due to correction of T-Code information reported to KDE. STS will implement ridership tracking data collection to enable District to maximize its increase in state reimbursement for bus transportation.	STS will be paid 25% of such increased revenue on or before January 31 following the Superintendent's December report, and 25% of such increased revenue on or before July 31 following the Superintendent's final data report at the end of the school year, less the payment due January 31.

Note: If transportation routing improvements (excluding summer school routing improvements) are not implemented by September 30 of Year 1, the contract will automatically become a four-year contract as shown in Table B

Note: the base period for computation of savings per bus will be total operational transportation costs (excludes new bus purchases and depreciation) for the 2024-2025 school year divided by the number of buses in daily operation ($\$735,808/13 = \56.600 per

bus). Increased transportation costs over the base period resulting from (1) increase in number of pupils transported, or (2) policy changes independent of STS’s efforts [e.g., reducing maximum student ride time, reducing maximum number of students per bus, or transporting a new class of students (preschool for example)] shall not be considered when computing the savings and increased revenues resulting from STS’s efforts.

Travel expenses incurred by STS for onsite work within the District will be invoiced at the approved rate for state employee mileage and at the actual cost for food, lodging, and other travel expenses to District quarterly and will be paid by the District within 30 days of invoice date. Travel expenses are not included within the above payment schedule.

Determination of total savings from route optimization will be based upon the tables below, “Determination of Total Savings,” and as contained in STS’s interim reports, or other writings. The interim reports or other writings will contain the proposed improvements as developed by STS with input by the District team.

Payment for one half of projected savings for each school year (exclusive of summer school savings) shall be payable by January 31 of that school year; payment for the projected savings for the entire school year just completed, reduced by the January payment, shall be due by July 31 following the end of that school year. Savings resulting from routing changes made after the beginning of the school year will be prorated over the school year but paid at the same two payment dates listed previously.

Recommendations that are implemented by District will be implemented in good faith using resources adequate for full implementation. During implementation, STS shall have full onsite and remote access to personnel and reports concerning the implementation process. It is STS’s responsibility to ensure any STS employee or contractor requiring access to a school site during instructional hours when students are present has had a complete background check as required by KRS 160.380, if the District has adopted such a requirement, with results received before the work is performed on the school site. The Parties agree that STS personnel having current approved status as vendors (with approved background checks) to the Fayette County Kentucky Public Schools have met the background check requirement.

Determination of Total Savings

Table A – First Route Changes Implemented Before September 30 of First School Year

The Parties agree that the following description and table represent how cost savings and revenue increases are to be determined.

1) Reductions in year one shall be compensated by the payment of 45% of savings; in year two, year one reductions still in effect by the payment of 35% of year one savings plus 45% of year two savings exceeding year one savings; in year three, year one reductions still in effect by the payment of 25% of year one savings, plus year two reductions still in effect by the payment of 35% of year two savings, plus the payment of 45% of year three savings exceeding year one and year two savings combined. This computation is demonstrated by the table below.

Value of Elimination of One Bus/Route	Sample Route Reduction Additional Each YR	Year 1-3 Annual \$ Savings	Year 1 Fee Rate	Year 1 STS Fee Rate	Year 2 Fee Rate	Year 2 STS Fee Rate	Year 3 Fee Rate	Year 3 STS Fee Rate
\$70,000								
Year One	3	\$210,000	45%	\$94,500	35%	\$73,500	25%	\$52,500
Year Two	7	\$490,000	0	0	45%	\$220,500	35%	\$171,500
Year Three	5	\$350,000	0	0	0	0	45%	\$157,500
Total Savings	\$1,960,000							

Total STS Fees	\$770,000
Net 3-Year Savings to District	\$1,190,000
Average Fee	39.29%

Table B – First Route Changes Implemented After September 30 of First School Year

The Parties agree that the following description and table represent how cost savings and revenue increases are to be determined.

1) Reductions in year one shall be compensated by the payment of 45% of savings; in year two, year one reductions still in effect by the payment of 35% of year one savings plus 45% of year two savings exceeding year one savings; in year three, year one reductions still in effect by the payment of 25% of year one savings, plus year two reductions still in effect by the payment of 35% of year two savings, plus the payment of 45% of year three savings exceeding year one and year two savings combined. In year four, year two savings still in effect by the payment of 25% of year two savings, plus year three savings still in effect by the payment of 35% of year three savings, plus the payment of 45% of year four savings exceeding years one, two, and three savings combined. This computation is demonstrated by the table below.

Value of Elimination of One Bus/Route	Sample Route Reduction Additional Each YR	Year 1-4 Annual \$ Savings	Year 1 Fee Rate	Year 1 STS Fee	Year 2 Fee Rate	Year 2 STS Fee	Year 3 Fee Rate	Year 3 STS Fee	Year 4 Fee Rate	Year 4 STS Fee
	\$70,000									
Year One	3	\$210,000	45%	\$94,500	35%	\$73,500	25%	\$52,500	0	0
Year Two	7	\$490,000	0	0	45%	\$220,500	35%	\$171,500	25%	\$122,500
Year Three	5	\$350,000	0	0	0	0	45%	\$157,500	35%	\$122,500
Year Four	3	\$210,000	0	0	0	0	0	0	45%	\$94,500
Total Savings		\$3,220,000								
Total STS Fees		\$1,109,500								
Net 4-Year Savings		\$2,110,500								

Average 34.46%
Fee

Hold Harmless and Assignment of Liability STS waives, releases, and agrees to hold District harmless from any and all property damage or personal injury occurring to STS, its employees or contractors resulting from weather conditions or negligent acts of District’s employees, contractors, or students. Neither of the parties shall be deemed to have accepted the legal obligations of the other, whether by reason of breach of this agreement or otherwise. Each party shall be responsible only for its own acts, and the acts and omissions of its employees and agents, to the extent provided by law. Neither party waives any defense to any claim which may be asserted against it.

Limitation of Liability STS’s liability for acts performed or not performed pursuant to this Agreement is limited to the amounts of money that STS receives or would have received pursuant to the terms of this Agreement for those portions of this Agreement fully performed by STS.

No Third-Party Rights
Nothing in this agreement is intended to confer rights on any third-parties, either as to the intended benefits of the agreement or as to any claim for breach of the agreement.

Use of District’s Name and Project Results STS may use District’s name, results, and personnel quotes in STS promotions of its transportation improvement services.


Effective Date of Agreement The effective date of the agreement is the date set forth in the first paragraph of this agreement.

Controlling Law The laws of the Commonwealth of Kentucky shall control the interpretation and enforcement of this Agreement.

Elizabethtown Independent Schools
219 Helm Street
Elizabethtown, KY 42701

By: _____
Paul Mullins, Superintendent

School Transportation Systems LLC
710 East Main Street
Lexington, KY 40502

By:  _____
Signature of Conley Salyer, Manager

Schedule - Transportation Improvement Process

Action	Description	Persons	Target Completion Date	Notes
Introductory Meeting	Explain steps in this form	STS, Charter Team		On site or virtual meeting
Agreement signed	Includes target completion dates for this form	STS, superintendent, CFO	Step 1	Completed by email
Count students getting on each bus	Allows accurate ridership information	School District Personnel (not drivers)	Step 1A	Completed on site
Student Home Address & Other Data furnished by District to STS	Preliminary information furnished to STS	Charter Team	Step 2 Step 1A + 45 Days	Completed online & by email
District Implements Transfinder/Zonar /Other Transportation Management Software/Hardware	Online software implementation	Charter Team + STS	Step 3 Step 2 + 60 days	Completed online & virtually
STS Analyzes & Presents Preliminary Optimized Routes	Routing Optimization Work	StS	Step 4 Step 3 + 15 days	Completed online & virtually
District commits (or not) to school open and close times	Alteration of existing open & close times adds flexibility to routing	Charter Team, principals, STS	Step 5 Step 4 + 10 days	On site meeting & commitment
District commits to communications plan	Communication of routing & open/close time changes to teachers, drivers, parents, leadership team	STS; Charter Team	Step 5 (cont.) Step 4 + 10 days	In-person and electronic meetings & messages
Test Proposed Routes	Results of routing revisions	Drivers, STS, Charter Team	Step 6 Step 5 + 5 days	On site & virtual work
District Implements route changes, open/closing changes	New routes implemented	Charter Team	agreed to date	On site activity

If requested by District for Second Interim Report: On site interviews	Bus drivers, maintenance garage personnel; Infinite Campus personnel	STS; drivers, maintenance, IC personnel	90 days following route change implementation	On site activity
Second & third revisions to routing; implementation of other improvements	Continuous review	STS, Charter Team	continuous	Remotely
Reporting of periodic results per Agreement	Charter members report results	Charter Team & STS	per agreement	Use online tracking and reporting
Payment	District pays appropriate fees	Superintendent; CFO	per agreement	
Closeout	Agreement ends		termination date	

District Personnel who may be participating in the project

- 1) Superintendent
- 2) CFO
- 3) COO
- 4) Director of Technology
- 5) Director of Pupil Transportation
- 6) Assistant Director of Pupil Transportation (if any)
- 7) Director of Pupil Personnel
- 8) Bus Drivers
- 9) Transportation routing and support staff
- 10) Infinite Campus data input staff
- 11) Bus technicians/mechanics
- 12) Transportation training personnel
- 13) Other Personnel as assigned

STS Personnel who are participating in the project

- 1) James Bryan Wall, Managing Member
- 2) Conley Salyer, Manager
- 3) Other Personnel as assigned