

March 4, 2013

West Branch – City Area Schools
Attention: Chavon Nihls
PO Box 308
West Branch, MI 48661

First Student, Inc.
960 Trombley Road
Grosse Pointe, Michigan 48230
Office: (313) 926-6991
Fax: (313) 447-2523

Dear Ms. Nihls,

First Student, Inc. is pleased to submit this response to your Request for Proposals for Pupil Transportation Services at West Branch – Rose City Area Schools. You will find our complete response enclosed. Please note that our comments and suggestions relating to the service are covered in the Executive Summary located in the section entitled "COVER LETTER".

First Student, by virtue of our Michigan experience, is uniquely capable of providing superior Transportation Services for your School District. When you contract with First Student, you gain innovative local expertise powered by global resources.

We have responded fully to your Base Proposal request; however we believe it is in the best interest of

Highlights of our "alternate" proposals include:

- 3 YEAR ALTERNATE- 15 Replacement Buses-An Investment by First Student of more than \$1.275 Million in West Branch – Rose City Area Schools' transportation system over the term of the contract.
- 5 YEAR ALTERNATE- 23 Replacement Buses-An Investment by First Student of more than \$1.955 Million in West Branch – Rose City Area Schools' transportation system over the term of the contract.
- \$3,500 annual contribution to a scholarship of the District's choice.
- \$1.00 an hour raise for all District drivers that join First Student.
- \$1,000 bonus for all District drivers that join First Student.
- The very latest in Technology, including Zonar™ High Definition GPS.
- Professional management and fleet maintenance services to enhance the current system.

These "alternate" proposals provide an avoidance of capital expenditure along with exceptional service and technological enhancements. The efficiencies that are realized with First Student allow our school district partners to focus on their core responsibility – student education. Contracting with First Student means more budget dollars for the classroom with less stress in the bus yard.

Thank you for providing us with the opportunity to review your requirements. We believe that we have an understanding of West Branch – Rose City Area Schools' goals and have provided a solution to meet your needs. It is our sincere hope that this is the beginning of a long, mutually beneficial partnership.

Please contact me at 313-926-6991 to discuss this proposal or for additional information.

Sincerely,


Dan Kinsley
Business Development Manager

Not only is First Student the largest Student Transportation provider in North America, we are the leading provider in the State of Michigan. Our contracts range in size from more than 255 buses operated for the Detroit Public Schools to two (2) buses dedicated to Westwood Heights Community Schools. More importantly, **we are rated twice as safe as the industry average.** We look forward to sharing the opportunities available to you, through our economies of scale, efficient operations and our purchasing power.

SPECIFIC TO STATE: In Michigan alone, our company operates more than 940 buses in partnership with 17 school districts.

We are aware that the West Branch – Rose City Area Schools has high expectations regarding the level of service to be provided to the students, parents and school officials. We are fully confident that we can meet and exceed your expectations and we look forward to doing so.



First Student is pleased to have an opportunity to partner with West Branch – Rose City Area Schools. **A partnership with First Student delivers comprehensive, customized solutions to meet current and future student transportation needs at West Branch – Rose City Area Schools. The district will achieve maximized savings, returning the most dollars to the classroom.**

BASE PROPOSAL PRICING

As requested by the District, our Base Proposal includes labor-only: We do not provide any of the buses or other equipment required, nor do we provide any of the maintenance of the buses in this scenario. Although the District is retaining a Transportation Supervisor, we will provide one (1) full time Location Manager. This is necessary to provide for the recruiting, training, and management of our personnel and avoid co-employment issues.

We have provided pricing for 23 Regular Education Routes. Pricing is based on a four (4) hour route plus an overage charge for any route exceeding four (4) hours per day. In our annual projection, 10 of the routes, average four (4) hours, and the remaining 13 routes average 5.86 hours per day. A charge of \$24.00 per hour would only apply to any route exceeding four hours.

The Base Proposal Pricing assumes a three (3) Year initial contract term with 2.5% annual increases. Renewal options for additional years will be negotiated at the option of both parties. A detailed pricing breakdown can be found in the "PRICE PROPOSAL" section.

as provided by the District,

ALTERNATE PROPOSAL PRICING

As requested by the District, our pricing page includes costs for the two requested alternates: 1) additional cost for two one year terms and 2) Additional cost for Performance Bond.

In addition we are also providing two "alternate" proposals for the Districts' consideration. These three year and a five year proposals include a Full Service solution where First Student would handle all aspects of the Transportation Department including: drivers, manager, dispatcher, maintenance, and fleet replacements. This scenario relieves the District of all day-to-day transportation responsibilities and avoids the capital required for future school bus purchases.

Consistent with the Base Proposal, we have provided pricing for 23 Regular Education Routes. Pricing is based on a four (4) hour route plus an overage charge for any route exceeding four (4) hours per day. In our annual projection, 10 of the routes, average four (4) hours, and the remaining 13 routes average 5.86 hours per day. A charge of \$24.00 per hour would only apply to any route exceeding four hours.

Our three (3) year "alternate" proposal provides an estimated savings of \$162,165 in the first year.

Our five (5) year "alternate" proposal provides an estimated savings of \$170,197 in the first year.

A five year term allows us more time to amortize our Start-Up costs, provides the District long-term stability, and offers the District additional savings in the daily route rate.

Both "alternate" proposals assume a 2.5% annual increase. Renewal options for additional years will be negotiated at the option of both parties. A detailed pricing breakdown can be found in the "PRICE PROPOSAL" section.

SCHOLARSHIP

We are especially excited to offer a \$3,500 StudentsFirst annual scholarship program, or we can contribute to your existing program, if that is preferable. Qualification and distribution of the scholarship program would be defined by your office or the Board of Education, and scholarships awarded annually to a graduating seniors at the High Schools.

CONTRACT START DATE

Under the current scenario services would begin July 1, 2013. Alternate start dates are available if the district desires to outsource at an earlier date or needs additional time to finalize their decision on outsourcing. We anticipate needing approximately ninety (90) days in order to interview the current staff, conduct the necessary background checks, hire and train sufficient personnel to operate the routes. We are prepared to bring in additional regional support staff and drivers from our Michigan locations in order to assure full staffing on day one.

ATHLETIC AND FIELD TRIPS

Pricing for Field Trips and Athletics is provided in two categories with preferred pricing available to the district during those time periods when the buses and drivers are not obligated to their routes.

- **Peak Time** Athletic and Field Trip Transportation will include any trip which requires an extra bus and driver during normal school route operations, roughly 6:00 AM to 9:00 AM and/or 2:00 PM to 5:00 PM. We will charge \$38.00/hour for Peak Period Trips and will require a three (3) hour minimum.
- **Off-Peak Trips** will include transportation between 9:00 AM and 2:00 PM, after 5:00 PM, evenings and weekends. We will charge \$30.00/hour for Off-Peak Period Trips and will require a one (1) hour minimum on school days and a three (3) hour minimum on non-school days.

Any trip crossing into the Peak Time period will be billed at the higher rate for the entire duration of the trip. Billing will be in 15 minute increments based on Total Driver Time. Total Driver Time billing commences at the beginning of each shift and ends when the driver finishes the post trip inspection of the bus. It specifically includes the driver's Pre- and Post-Trip Inspections and "Deadhead" travel to the passenger pick-up point at the beginning of the trip and from the passenger drop-off point back to the bus facility.

Additional detail can be found in the "**PRICE PROPOSAL**" section.

FUEL

West Branch – Rose City Area Schools will have responsibility for the purchase of fuel, fuel storage and dispensing equipment for this contract. First Student will manage the fuel dispensing and inventory, cooperating with the District on any tank licensing and environmental issues. First Student's environmental contractor will inspect the tanks at the beginning of the contract term and document their condition. We will exercise proper housekeeping procedures as discussed in the "**FACILITY MANAGEMENT**" section of this proposal.

FACILITY

First Student will utilize the existing School District transportation facilities. West Branch – Rose City Area Schools will maintain responsibility for all custodial services, building maintenance, transportation fuel, building maintenance, grounds work, snow and ice removal, and capital expenditures reasonably required for the operation and use of this facility. If the District is not able to provide snow removal, First Student will handle this and pass this cost through to the District. For additional information, please refer to the section "**FACILITY MANAGEMENT**".

FLEET

In the Base Proposal the District maintains responsibility for fleet replacements, fleet maintenance and all aspects of the fleet management.

First Student's "alternate" proposals include supplying fleet replacements of 15 School Buses in the initial three (3) years; an overall investment for the District of more than \$1.275 Million. In the five (5) year "alternate" proposal 23 buses will be replaced; an overall investment for the District of more than \$1.955 Million. All buses will be equipped with all standard equipment required by the Michigan Department of Transportation, State Police, Department of Education and Federal Regulations First Student, above what is required by state law, will provide Crossing Gates, Child Checkmate, and Zonar™ High Definition GPS.

Alternate Proposal Bus Replacement Cycle

3 YEAR ALTERNATE PROPOSAL	5 YEAR ALTERNATE PROPOSAL
YEAR 1- 5 BUSES	YEAR 1- 5 BUSES
YEAR 2- 5 BUSES	YEAR 2- 5 BUSES
YEAR 3- 5 BUSES	YEAR 3- 5 BUSES
	YEAR 4- 6 BUSES
	YEAR 5- 2 BUSES
<u>TOTAL VALUE</u> \$1.275 M	<u>TOTAL VALUE</u> \$1.955 M

At the end of 5 years, the District will have had replacements for the entire fleet. The cost for these buses is included in our "alternate" proposals at no additional cost to West Branch – Rose City Area Schools.

I hereby certify that the information on this document is true and correct.

I am a resident of the State of Ohio and am qualified to perform the duties of a Notary Public.

Witness my hand and seal this _____ day of _____, 2017.

[Handwritten Signature]

Notary Public, State of Ohio
My Commission Expires
2/15/2017
Patricia R. Sowell
Notary Public, State of Ohio
My Commission Expires
2/15/2017

PATRICIA R. SOWELL
Notary Public, State of Ohio
My Commission Expires
2/15/2017



WEST BRANCH-ROSE CITY AREA SCHOOLS

2-11-13-Transportation RFP-Pre Bid Meeting Needs

Attachment B – Proposal Form -3 YEAR

Proposer shall provide necessary information including but not limited to the information below. Proposer can attach additional pages as necessary to provide additional information or explanation.

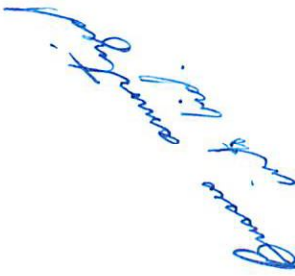
Proposer Information:

First Student, Inc.

Dan Kinsley, Business Development Mgr.

313-926-6991

daniel.kinsley@firstgroup.com



Total

Pricing Terms:

Base Bid: \$ 1,812,480.77

Required Alternate No. 1: \$ 1,268,561.34

Required Alternate No. 2: \$ 10,000.00

Optional Alternate No. 3: \$ 2,974,101.10

Optional Alternate No. 4: \$ 5,223,225.14

Additional cost only - additional costs for 2 one year terms

Additional cost for Performance Bond for the three year base term

3 year full service includes performance bond

5 year full service includes performance bond

5YR

WEST BRANCH - ROSE CITY AREA SCHOOLS ITEMIZED PRICES FOR STUDENT TRANSPORTATION SERVICES/5 YEAR BASE PROPOSAL

Company:

Year 1 - School Routes	Route Count	Days	Daily Rate	Annual
Regular Education Routes	23	180	\$ 117.11	\$ 484,835.40
Year 1 - Excess Hours	Annual Hours		Hourly Rate	Annual
*Excess Hourly Charge-Hours Over 4 Hours		4,352	\$ 24.00	\$ 104,457.60
Year 1 Total				\$ 589,293.00

Year 2 - School Routes	Route Count	Days	Daily Rate	Annual
Regular Education Routes	23	180	\$ 120.04	\$ 496,965.60
Year 2 - Excess Hours	Annual Hours		Hourly Rate	Annual
*Excess Hourly Charge-Hours Over 4 Hours		4,352	\$ 24.60	\$ 107,069.04
Year 2 Total				\$ 604,034.64

Year 3 - School Routes	Route Count	Days	Daily Rate	Annual
Regular Education Routes	23	180	\$ 123.04	\$ 509,385.60
Year 3 - Excess Hours	Annual Hours		Hourly Rate	Annual
*Excess Hourly Charge-Hours Over 4 Hours		4,352	\$ 25.22	\$ 109,767.53
Year 3 Total				\$ 619,153.13

3 Year Total \$ 1,812,480.77

Year 4 - School Routes	Route Count	Days	Daily Rate	Annual
Regular Education Routes	23	180	\$ 124.14	\$ 513,939.60
Year 4 - Excess Hours	Annual Hours		Hourly Rate	Annual
*Excess Hourly Charge-Hours Over 4 Hours		4,352	\$ 25.85	\$ 112,509.54
Year 4 Total				\$ 626,449.14

Year 5 - School Routes	Route Count	Days	Daily Rate	Annual
Regular Education Routes	23	180	\$ 127.24	\$ 526,773.60
Year 5 - Excess Hours	Annual Hours		Hourly Rate	Annual
*Excess Hourly Charge-Hours Over 4 Hours		4,352	\$ 26.50	\$ 115,338.60
Year 5 Total				\$ 642,112.20

5 Year Total \$ 3,081,042.11

*Please refer to the Executive Summary in the "COVER LETTER" section for more detail

WEST BRANCH - ROSE CITY AREA SCHOOLS ITEMIZED PRICES FOR STUDENT TRANSPORTATION SERVICES/3 YEAR ALTERNATE

Company:

Year 1 - School Routes	Route Count	Days	Daily Rate	Annual
Regular Education Routes-District Owned Bus-4 Hour Rate	18	180	\$ 178.11	\$ 577,076.40
Regular Education Routes-Contractor Owned Bus-4 Hour Rate	5	180	\$ 217.11	\$ 195,399.00
Year 1 - Excess Hours	Annual Hours		Hourly Rate	Annual
*Excess Hourly Charge-Hours Over 4 Hours		4,352	\$ 24.00	\$ 104,457.60

Year 1 - Extracurricular	Annual Hours	Hourly Rate	Annual
Athletic & Field Trip Transportation	1,813	\$ 30.00	\$ 54,378.00
Year 1 Total			\$ 931,311.00

Year 2 - School Routes	Route Count	Days	Daily Rate	Annual
Regular Education Routes-District Owned Bus-4 Hour Rate	13	180	\$ 182.56	\$ 427,190.40
Regular Education Routes-Contractor Owned Bus-4 Hour Rate	10	180	\$ 222.54	\$ 400,572.00
Year 2 - Excess Hours	Annual Hours		Hourly Rate	Annual
*Excess Hourly Charge-Hours Over 4 Hours		4,352	\$ 24.60	\$ 107,069.04

Year 2 - Extracurricular	Annual Hours	Hourly Rate	Annual
Athletic & Field Trip Transportation	1,813	\$ 30.75	\$ 55,737.45
Year 2 Total			\$ 990,568.89

Year 3 - School Routes	Route Count	Days	Daily Rate	Annual
Regular Education Routes-District Owned Bus-4 Hour Rate	8	180	\$ 187.12	\$ 269,452.80
Regular Education Routes-Contractor Owned Bus-4 Hour Rate	15	180	\$ 228.10	\$ 615,870.00
Year 3 - Excess Hours	Annual Hours		Hourly Rate	Annual
*Excess Hourly Charge-Hours Over 4 Hours		4,352	\$ 25.22	\$ 109,767.53

Year 3 - Extracurricular	Annual Hours	Hourly Rate	Annual
Athletic & Field Trip Transportation	1,813	\$ 31.52	\$ 57,130.89
Year 3 Total			\$ 1,052,221.21

*Please refer to the Executive Summary in the "COVER LETTER" section for more detail

3 Year Total	\$ 2,974,101.10
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WEST BRANCH - ROSE CITY AREA SCHOOLS ITEMIZED PRICES FOR STUDENT TRANSPORTATION SERVICES/5 YEAR ALTERNATE

Company:

Year 1 - School Routes	Route Count	Days	Daily Rate	Annual
Regular Education Routes-District Owned Bus-4 Hour Rate	18	180	\$ 176.17	\$ 570,790.80
Regular Education Routes-Contractor Owned Bus-4 Hour Rate	5	180	\$ 215.17	\$ 193,653.00
Year 1 - Excess Hours	Annual Hours	Hourly Rate	Annual	
*Excess Hourly Charge-Hours Over 4 Hours	4,352	\$ 24.00	\$ 104,457.60	
Year 1 - Extracurricular	Annual Hours	Hourly Rate	Annual	
Athletic & Field Trip Transportation	1,813	\$ 30.00	\$ 54,378.00	
		Year 1 Total	\$ 923,279.40	

Year 2 - School Routes	Route Count	Days	Daily Rate	Annual
Regular Education Routes-District Owned Bus-4 Hour Rate	13	180	\$ 180.57	\$ 422,533.80
Regular Education Routes-Contractor Owned Bus-4 Hour Rate	10	180	\$ 220.55	\$ 396,990.00
Year 2 - Excess Hours	Annual Hours	Hourly Rate	Annual	
*Excess Hourly Charge-Hours Over 4 Hours	4,352	\$ 24.60	\$ 107,069.04	
Year 2 - Extracurricular	Annual Hours	Hourly Rate	Annual	
Athletic & Field Trip Transportation	1,813	\$ 30.75	\$ 55,737.45	
		Year 2 Total	\$ 982,330.29	

Year 3 - School Routes	Route Count	Days	Daily Rate	Annual
Regular Education Routes-District Owned Bus-4 Hour Rate	8	180	\$ 185.08	\$ 266,515.20
Regular Education Routes-Contractor Owned Bus-4 Hour Rate	15	180	\$ 226.06	\$ 610,362.00
Year 3 - Excess Hours	Annual Hours	Hourly Rate	Annual	
*Excess Hourly Charge-Hours Over 4 Hours	4,352	\$ 25.22	\$ 109,767.53	
Year 3 - Extracurricular	Annual Hours	Hourly Rate	Annual	
Athletic & Field Trip Transportation	1,813	\$ 31.52	\$ 57,130.89	
		Year 3 Total	\$ 1,043,775.61	

Year 4 - School Routes	Route Count	Days	Daily Rate	Annual
Regular Education Routes-District Owned Bus-4 Hour Rate	2	180	\$ 189.71	\$ 68,295.60
Regular Education Routes-Contractor Owned Bus-4 Hour Rate	21	180	\$ 231.71	\$ 875,863.80
Year 4 - Excess Hours	Annual Hours	Hourly Rate	Annual	
*Excess Hourly Charge-Hours Over 4 Hours	4,352	\$ 25.85	\$ 112,509.54	
Year 4 - Extracurricular	Annual Hours	Hourly Rate	Annual	
Athletic & Field Trip Transportation	1,813	\$ 32.31	\$ 58,559.16	
		Year 4 Total	\$ 1,115,228.10	

Year 5 - School Routes	Route Count	Days	Daily Rate	Annual
Regular Education Routes-District Owned Bus-4 Hour Rate	0	180	\$ 194.45	\$ -
Regular Education Routes-Contractor Owned Bus-4 Hour Rate	23	180	\$ 237.50	\$ 983,250.00
Year 5 - Excess Hours	Annual Hours	Hourly Rate	Annual	
*Excess Hourly Charge-Hours Over 4 Hours	4,352	\$ 26.50	\$ 115,338.60	
Year 5 - Extracurricular	Annual Hours	Hourly Rate	Annual	
Athletic & Field Trip Transportation	1,813	\$ 33.11	\$ 60,023.14	
		Year 5 Total	\$ 1,158,611.74	

*Please refer to the Executive Summary in the "COVER LETTER"

section for more detail

5 Year Total \$ 5,223,225.14



2.2 5 COMPANY PROFILE AND CORPORATE CAPABILITIES OVERVIEW



The reason that more school districts choose First Student over any other provider is simple: **Delivery**. We deliver the solutions that fulfill your immediate and long-term needs. While our individual partnerships are uniquely designed around each community's needs, they are all built on a solid foundation that includes:

- **EXPERIENCE** – More experience than any other student transportation provider, which brings peace of mind to your students and community.
- **SAFETY** – A safety record that is twice as safe as the industry average, so your students are that much safer riding with First Student.
- **CAPABILITY** – The resources and experience required to provide the superior level of service that your district needs and your community expects.
- **SERVICE** – A service-driven culture that extends beyond customer satisfaction delivers an unyielding focus on customer success.
- **INFORMATION** – The largest connected 'social' network of over 600 student transportation operational locations provides for continuous information gathering and sharing of best practices.
- **FLEXIBILITY** – The ability to respond quickly and effectively to address any situation, unanticipated need or emergency with our unrivaled network of buses, technologies, and proven transportation systems.
- **MANAGEMENT** – On-site, dedicated, experienced staff supported by our unsurpassed national network of expertise focused on your success.
- **SUPPORT** – A strong team of actively engaged employees focused on the safety and security of the children we transport, and the satisfaction of the districts and communities we serve.
- **TECHNOLOGY** – The expertise to implement, manage, and integrate all available technologies into one seamless system to provide you with greater insight into your operation.
- **RELIABILITY** – A focus on reliability, results, and continuous process development ensures we do the right things to build strong, lasting partnerships and community satisfaction.