

March 10, 2021

Zach Schoch, Chief Operating Officer
Quakertown Community School District
100 Commerce Drive
Quakertown, PA 18951

RE: RFP for Contracted Pupil Transportation
Revised Daily Pricing; Diesel-powered Fleet Modification; Additional Staff

Dear Mr. Schoch,

We appreciate the opportunity to participate in your procurement process and propose our best solutions for Quakertown Community School District. With this letter we are making several modifications to our February 4, 2021 proposal which we believe better fit the needs of your school district. The modifications enhance the value of our proposal to the district while continuing to offer all the benefits of the original proposal.

Revised Daily Pricing: Our original proposal offered variable pricing to provide some flexibility for the school district for any growth or reduction in service or for a potential change to a two-tier route system. In our discussions it became clear that the district wanted to have some protection against increased route costs if the current route analysis did not completely capture all required hours of service.

We believe, after further analysis and some adjustments made during our discussions, that we have accurately captured the current service hours. Therefore, to address the district's concern, we are converting the current annual cost projection to a Fixed Daily Rate with no overage charges. We will bill the rates listed on the attached annual projection according to the appropriate vehicle type for each day operated with no excess hour charges.

Routes do change during the school year and we anticipate seeing minor variances from time to time which would be absorbed in the normal course of business. However, if there are material route changes caused by additional students, additional trips added or bell time changes, we will present that information to the school district with proper documentation and request to discuss an appropriate adjustment.

If the school district decides in the future to adopt a two-tier route schedule, we recommend reverting to the original four-hour base with hourly overage charge pricing model. That would allow the district to save money as the routes become shorter due to eliminating the third tier. Once we have a routing system in place for Quakertown, we'll be able to run multiple scenarios based on proposed Bell Time changes and provide you a cost projection for each scenario.

Diesel-powered Fleet Modification: Our original proposal offered a primarily gasoline-powered fleet with the intention of fueling the buses at a local retail station. We understand that QCSD has already committed to purchase fuel through its current vendor for the 2021-22 school year.



This modification to our proposal includes two changes to allow the district to take advantage of its current fuel price lock and avoid any additional fuel costs: First, we have changed our fleet specification to include all brand new diesel-powered buses in the 72-passenger, large bus category, as listed in the chart below.

Qty	Bus Type	Year	Capacity	Fuel Type	Equipment
42	Type C Conventional	2022	72-passenger	Diesel	GPS; Digital Cameras
9	Type A Minibus	2022	28-passenger	Gas	GPS; Digital Cameras; A/C
1	Type A Minibus	2022	Wheelchair	Gas	GPS; Digital Cameras; A/C
10	Ford Transit 250 Van	2021	9-passenger	Gas	GPS; Digital Cameras; A/C

The second modification relates to the delivery of fuel. It is our intention to purchase and install fuel tanks on our proposed site on Route 309. This will allow the district's fuel vendor to deliver fuel directly to our facility and we will fuel the buses from those tanks.

In the event of any delay in permitting or installation of the fuel tanks, we understand the district's fuel vendor has the capability to deliver fuel via "wet-hose" service, which would incur an additional service fee. First Student agrees to cover any additional service fees that are incurred above the district's consortium pricing for fuel.

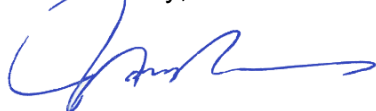
Additional Staff: Finally, in our discussions with the district, you clearly indicated your desire to have your transportation partner be the primary point person for all transportation issues. In response to your concern that we might have underestimated the local staffing needs we decided to add an additional staff person so that we can always field any inquiries from parents or school personnel on a timely basis.

It is always our intent to take the primary role in transportation and our systems are built to allow our staff to handle issues in an efficient manner. Even further, those systems enhance communication and proactively notify stakeholders of delays, eliminating the need for phone calls. However, we believe the best choice is to put you as our customer first and address the concern by adding the staff person.

Thank you for the opportunity to discuss our proposal and gain a deeper understanding of Quakertown Community School District's needs and expectations. We hope you find these modifications enhance the value of our proposal to the school district.

Please let me know if we can answer any additional questions or address any additional concerns. We stand ready to partner with QCSD to provide excellent services for your students and your community.

Sincerely,



Jim Woods
Director of Business Development

