



September 19, 2022

**Delivered Via Email, US Mail and
Certified Mail, Return Receipt Requested**

Kirk Wilkie, Sr. Vice President
STA of Oregon, Inc.
6500 Hollister Avenue, Suite 100
Goleta, CA 93117
Email: kwilke@ridegst.com

Re: Notice of breach of contract

Dear Kirk:

This letter follows our conversations over the last few weeks, and is to formally notify STA that it has defaulted on its obligations under the March 11, 2022 Transportation Agreement between STA and Newberg Public Schools. That Agreement exists primarily for the purpose of ensuring that the district is able to transport students of Newberg schools to school and school-related activities, and as I know you are aware, student transportation is a major community concern and matter of public trust.

To the district's great disappointment, the district is considering ending the contract with STA before its term expires, and it has become necessary for the district to outline the terms of the Agreement with which STA is in default. These include, but are not limited to:

- 2.1.B Contractor shall comply with all applicable laws, statutes, codes, ordinances, rules, regulations and lawful orders, including but not limited to those concerning equal employment opportunities, and Americans with Disabilities Act requirements. All information and reports required by such laws, statutes, codes, ordinances, rules, regulations and lawful orders shall be supplied to the District upon request.
- 2.3.B The District shall designate the students for whom Contractor shall provide regular home-to-school transportation services. Contractor shall provide regular home-to-school transportation services for such students for each day that school is in session during the term of this Agreement and shall provide other transportation services outside of the District's boundaries for such students and authorized District personnel as the District may require. The District

reserves the right to use other transportation providers to transport students and other District personnel.

3.1 SCOPE OF SERVICE:

Contractor shall:

- A. Provide safe and reliable transportation to and from school and school-related functions. A typical regular school year will require 170 to 178 student transportation days depending on the grade level. Total days may vary slightly from year to year. The District will only be billed Rate Based Costs for days that service is actually provided.
- B. Maintain orderly behavior and conduct of students on buses.
- C. Provide a close working relationship between the management of the Contractor and the administration and management of the District.
- D. Provide positive public relations between the Contractor, the District, the school community, and its patrons.
- E. Provide a transportation schedule that allows students minimal riding time to and from school not to exceed sixty (60) minutes for elementary students and seventy-five (75) minutes for middle and high school students, each way unless extended riding time has been approved in advance by the District.

3.6(A)(1) **Contractor** shall provide a sufficient work force and have on hand drivers, substitute drivers, mechanics, and management during normal operating hours so as to be able to perform uninterrupted reliable on-time service in case of emergencies, no-shows, and other exceptional circumstances.

3.8 COOPERATION

Student transportation has great visibility in the community and plays a key part in the District's relationship with the community and the community's perceptions of the District. It is crucial to the maintenance of a positive and cooperative community environment, an essential ingredient to the District's achievement of its educational goals, that the Contractor becomes a positive and supportive partner in communicating and conveying true interest and concern to the public. This need is so important that it constitutes a major factor by which Contractor performance will be judged by the District.

A. INQUIRIES ABOUT DRIVERS AND STUDENT PROBLEMS:

Contractor will be responsible for answering inquiries from the public regarding drivers and student problems, schedules, and the various questions that arise daily regarding runs in progress.

Serious problems or potentially sensitive issues or situations should be brought to the attention of the District Admin and Transportation Liaison. Contractor shall respond to inquiries from the District Office or School Administrator within 24 hours of inquiry. Video surveillance requests must be provided within 24 hours of inquiry.

B. INQUIRIES ABOUT ROUTES AND BUS STOPS:

Contractor will be responsible for answering inquiries from the public regarding routes, schedules and the various questions that arise daily regarding runs in progress. Serious problems or potentially sensitive issues or situations should be brought to the attention of the District Admin and Transportation Liaison.

Since the beginning of the school year, STA has failed to perform its duties under the agreement in multiple critical respects. Since school started on September 6, 2022:

- There has not been a single school day in which STA buses have delivered every student to schools on time. In some cases, the delay has been more than an hour or no transportation provided at all.
- STA has failed to adhere to the agreed-upon routing plan, which consisted of multiple routes. Instead, STA has combined routes in violation of the contract providing an inadequate number of routes.
- STA has failed to provide sufficient staffing, leading to its “solution” of route combining, with the result that students are crammed in buses and at times have sat in the aisle in violation of ODE transportation standard OAR 58-053-004(8)). Elementary students have also been required to endure routes in excess of an hour.
- Despite combining routes, STA buses are routinely late.
- STA’s communications with parents have been lacking, leading to parent complaints to district officials and undermining their trust in the district. At times, the app used to communicate with parents about the routes has been down, contributing to confusion and frustration.
- STA’s communication with the district administration has been lacking. Unanswered phone calls and emails from district and the public have been the norm. General requests for information and status updates have been ignored.

As a result of the foregoing, scores of Newberg students have missed instruction and public relations have deteriorated, as families have lost confidence that the district will fulfill a basic expectation of transporting students as required by state law.

Article 2.15 of the contract permits the district to terminate the agreement before its expiration under certain circumstances, including for the district’s convenience upon 180 days’ notice or when STA fails to remedy identified defaults within sixty (60) days, including for the breaches outlined in this letter, namely: repeatedly refusing or failing to supply sufficient properly qualified drivers or buses to perform the transportation services requirements of the Agreement; regularly failing to perform the transportation services required in compliance with the required time schedule; not complying with law, district policy or district instructions; and others.

The purpose of this letter is to notify STA that it is expected to fully comply with the Agreement and is expected to promptly rectify its practices. Should STA fail to fully perform its obligations within 60 days, the district will terminate its contract with STA, with the termination date to be determined by the district, and will consider other measures whereby STA is held accountable. It is my sincere wish that that will not become necessary, and that STA will understand the gravity of this situation and quickly remedy the issues identified in this letter.

Due to the urgency with which this needs to be addressed, and unless STA is able to provide written assurances by close of business Wednesday, September 21st that all student transportation needs for the district, per the contract, will be met by Monday, September 26th, I will take steps to procure the services of a contractor to backfill some of the services STA has been unprepared to provide. If STA can identify an alternate strategy that will allow the district to avoid this, then please communicate that immediately. Under the circumstances, and given the damage STA has already caused the district, I will contact you again in the near future with a proposal to modify the fixed fee schedule in Appendix A of said contract.

Thank you in advance for your serious consideration of our concerns, and for your anticipated cooperation in resolving this crisis expeditiously.

Sincerely,



Stephen Phillips
Superintendent

Cc: Christine Nesbit, Attorney
Scott Linenberger