



**To:** Dr. Mike Riggle  
Board of Education

**From:** Dr. Kimberly Ptak  
Dr. R.J. Gravel

**Date:** Monday, February 27, 2017

**Re:** Award Bid for Student Transportation Opened February 10, 2017 to First Student  
Reject All Bids for Student Transportation Opened January 12, 2017

### **Recommendation**

It is recommended that the Board of Education:

- Award a bid to First Student for student transportation opened on Friday, February 10, 2017;
- Reject all bids for student transportation services opened on Thursday, January 12, 2017.

### **Background**

On December 14, 2015, the Board of Education awarded a 3-year bid to First Student. As discussed when the bid was awarded, there was a desire for the District to enter into the same bidding cycle as the five Northfield Township elementary school districts (27, 28, 29, 30, and 31) with whom buses are shared (District 29 only participates in charter services). As such, the District decided to participate in a joint bid with the elementary school districts. This decision resulted in First Student canceling the District's current contract effective June 30, 2017.

#### ***First Bid - Opened on Thursday, January 12, 2017***

On Thursday, January 12, 2017 one bid was received and opened from First Student. Rates were approximately 30.8% higher than the District's current contract and are described in detail within the attached historical memo. Reasons stated for the increase included increased driver wages, required capital investment to maintain a fleet of an average age of 5 years and no bus older than 8 years as specified in the bid, market rates, and the inability to share all routes while still maintaining acceptable level of service.

#### ***Second Bid - Opened on Friday, February 10, 2017***

In an effort to reduce costs, a second joint bid was advertised that involved changing the fleet requirements to an average age of 8 years and no bus older than 12 years. These standards are more consistent in the industry. Bids were opened on Friday, February 10, 2017. The District received a single bid from First Student. Rates stated in the bid were approximately \$146,596, or 10.8% less than the first bid received from the contractor and are approximately 16.8% higher than the District's current contract.

**Bid Results**

The following compares the District’s current contract to the rates received in the first and second bid.

	<b>Current Contract</b>	<b>First Bid First Student</b>	<b>Second Bid First Student</b>	<b>Comparison of Bids</b>
<b>Regular Transportation</b> <ul style="list-style-type: none"> <li>• 10 GBN Routes</li> <li>• 16 GBS Routes</li> </ul>	\$550,568	\$755,938	\$724,467	\$31,471
<b>Charter Transportation</b> <ul style="list-style-type: none"> <li>• Field trips</li> <li>• Athletics</li> <li>• Activities</li> <li>• Off Campus</li> </ul>	\$450,000 (estimate - actual based on number of trips) *	\$562,500 (estimate - actual based on number of trips) *	\$450,000 (estimate - actual based on number of trips) *	\$112,500
<b>Other</b> <ul style="list-style-type: none"> <li>• Late Activity Buses</li> <li>• Inter-Campus Shuttle</li> </ul>	\$45,570	\$50,125	\$47,500	\$2,625
<b>Totals</b>	\$1,046,138	\$1,368,563	\$1,221,967	\$146,596

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<b>Comparison of Current / New Contract \$</b>	⬆ \$322,425	⬆ \$175,829
<b>Comparison of Current / New Contracts %</b>	⬆ 30.8%	⬆ 16.8%

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\* In the historical memo attached dated January 24, 2017, we identified a charter transportation budget of \$525,185. After further reviewing actual charter transportation expenses, we determined that it is more accurate to use a budget of \$450,000 when comparing current contract expenses with estimated future expenses.

The bid submitted by First Student on February 10th presented a rate of \$65.00 per run for the 2017-2018 school year if the vehicle servicing a particular run is also used for a second run immediately after the first (eg. Route 1S picks students up in the morning from designated stops, and drops them off at Glenbrook South High School that same bus and driver then picks up students for a feeder district and drops them off at feeder school). However, First Student added the following condition, “Rate will be \$125 if the route cannot be paired with another route.” This condition was outside of the bid specifications presented, as the bid required a single rate (regardless of pairing ratio) to be presented for all districts. Upon further discussion with legal counsel and First Student, we requested a blended rate to be provided (a single, per run charge that applies to all routes, regardless of pairing ratio). At the end of the business day on February 10th, we received a blended rate from First Student in the amount of \$78.27 per run for the 2017-2018 school year.

As stated in First Student’s response to our request for a single, per run charge that applies to all routes, “This [blended rate] cost is contingent on current pairings. We will meet at least twice a year to review the pairings so as to identify any additional impact and act upon it at that time if necessary.” Should the current pairing ratio change as a result of service needs identified by a school district or the contractor, it might result in an increased rate per run. To budget for these potential situations, we have prepared several impact scenarios which are attached.

The proposed agreement includes a rate increase of 3.0% for the 2018-2019 school year, and an increase of 3.0% for the 2019-2020 school year. The contractor, and each school district retain the right to terminate the contract by April 1st of each year.

**Long Term Options**

At the January 30, 2017 finance committee meeting, the following long-term options were discussed. These options deserve careful consideration and would not be practical to implement for the 2017-2018 school year. The administration will review various options and bring information forward at a fall finance committee meeting.

<b>Long Term Options</b> Options to Evaluate, Price and Implement for the 2018-2019 School Year and Beyond		
<p><b><u>Option 1: Hybrid Model</u></b></p> <ul style="list-style-type: none"> <li>● Purchase Fleet</li> <li>● Outsource Drivers, Vehicle Maintenance, Routing, Oversight</li> </ul> <p><i>Niles 219 model</i></p>	<p><b><u>Option 2: Operate In-House</u></b></p> <ul style="list-style-type: none"> <li>● Purchase Fleet</li> <li>● Recruit and Retain Drivers</li> <li>● Recruit and Retain Mechanics</li> <li>● Recruit and Retain Administrator</li> <li>● Build/Lease a Maintenance Facility</li> <li>● Build/Lease a Bus Storage Lot</li> </ul> <p><i>Highland Park/Deerfield 113 model</i></p>	<p><b><u>Option 3: Partial In-House for Charter Services</u></b></p> <ul style="list-style-type: none"> <li>● Purchase 2-4 Buses</li> <li>● Recruit and Retain Drivers</li> <li>● Potentially Establish a Stipend for a Scheduler / Liaison</li> <li>● Establish Service with Local Provider</li> </ul>
<p><b><u>Option 4: Review Route Options</u></b></p> <ul style="list-style-type: none"> <li>● Transition to a “Loop” Model</li> <li>● Public Transportation Options</li> </ul> <p><i>Evanston 202, Maine 207, and Stevenson 125 models</i></p>	<p><b><u>Option 5: Continue to Outsource All Services</u></b></p> <ul style="list-style-type: none"> <li>● Have Deeper Conversations with Vendors</li> <li>● Evaluate Current User Fees (Athletics, Activities, Field Trips)</li> <li>● Evaluate Current Trip Practices</li> </ul>	<p><b><u>Option 6: Consortium</u></b></p> <ul style="list-style-type: none"> <li>● Consortium for School Bus Transportation</li> </ul>