

GLENBROOK HIGH SCHOOLS
Regular Meeting – Monday April 12, 2010
District Business Office

TO: Dr. Mike Riggle
Hillary Siena

FROM: Kimberly Ptak

DATE: April 12, 2010

RE: DISCUSSION/ACTION: LEASE RENEWAL of ACTIVITY BUSES

Recommendation

It is recommended that the Board of Education

1. Renew its lease of (4) 14 passenger activity buses with Midwest Transit for a 3-year term at a price of \$7,317 per year per bus. The lease comes with a 3-year/36,000 mile bumper-to-bumper warranty. Previous lease price was \$7,173 per year per bus. Cost avoidance from not having to rent buses from First Student is \$55,760/year.
2. Lease 1 additional 14 passenger activity bus from Midwest Transit for a 3-year term at a price of \$7,317 per year. This lease also comes with a 3-year 36,000 mile bumper-to-bumper warranty. Cost avoidance from not having to rent a bus from First Student is estimated at \$11,323/year.

Background

Six years ago, the board approved leasing (4) 14 passenger activity buses rather than renting large 72 passenger buses from First Student for athletic events and field trips. The estimated savings at the time was \$50,000. In addition to cost savings, other benefits included:

- Ease of use – eliminated the need to pick up vans or wait for school buses to arrive.
- Safety – the activity buses meet all federal school bus safety requirements. 12 passenger vans are no longer an option due to safety/insurance issues.

The leases have three year terms and every time leases are renewed, we receive new buses with a new 3-year warranty. These four buses are up for renewal this summer.

Four years ago, the board approved adding two additional buses to the fleet. These buses are in the first year of the second term.

At this time, the district is asking for one additional bus, making the total fleet 7 buses. This 7th bus would be located at GBS as the primary demand for this additional bus is at GBS. However, as with all of the activity buses, the bus will be shared between schools.

Cost Justification

| | <u>4 existing buses – up for renewal Summer 2010</u> | <u>2 existing buses – up for renewal Summer 2012</u> | <u>1 additional bus</u> | |
|-----------------------------------|---|---|------------------------------------|-----------------|
| Cost avoidance | \$105,028 (1) | \$56,514 (1) | \$23,640 (2) | |
| Cost of buses | (\$29,268) | (\$14,593) | (\$7,317) | |
| Gas and general maintenance | (\$20,000) | (\$10,000) | (\$5,000) | |
| Savings | \$55,760 | \$31,921 | \$11,323 | \$99,004 |

- (1) Schools track usage on every bus, amount represents what we would have paid First Student had we rented buses.
- (2) Schools track the number of times there was not an activity bus available and, instead, had to rent a bus from First Student. \$23,640 is the amount paid to First Student when an activity bus could have been used had one been available.