

ANCHORAGE SCHOOL DISTRICT

ANCHORAGE, ALASKA

ASD MEMORANDUM #187 (98-99) February 25, 1999

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: AWARD OF CONTRACT: PUPIL TRANSPORTATION SERVICE
AREAS III, IV, AND V

RECOMMENDATION:

It is the Administration's recommendation that the School Board accept the "All or None" Pupil Transportation Proposal and authorized reimbursement for attendant salaries in Service Areas III, IV, and V from Laidlaw Transit, Inc. for the daily rates as shown on the attached Tabulation of Proposals for the two-year period (1999 - 2001) and to offer a contract to Laidlaw Transit, Inc., as follows:

Service Area III: West High School Attendance Area

1st year cost \$1,089,379.20

2-year cost \$2,178,758.40

Service Area IV: Bartlett High School Attendance Area

1st year cost \$1,541,092.48

2-year cost \$3,082,184.96

Service Area V: Special Education Routes with the Anchorage School District

1st year cost \$1,465,646.40

2-year cost \$2,931,292.80

The first year aggregate cost for Service Areas III, IV, and V is \$4,096,118.08; two-year cost is \$8,192,236.16 not including any Consumer Price Index for all Urban Consumers (CPI-U) adjustments and any adjustments necessitated by increases or decreases in enrollment. The projected first year reimbursement cost for attendant salaries in Service Area V is \$268,771.50. The contract is subject to the approval of the Commissioner of the State Department of Education prior to award.

PERTINENT FACTS:

The Pupil Transportation Request for Proposal was approved for publication in accordance with the Department of Education Competitive Pupil Transportation Regulation 4 AAC 27.085, effective January 1982. The Request for Proposals were mailed to 22 firms. Legal advertisements appeared in local newspapers. One firm, Laidlaw Transit, responded to the Request for Transportation Proposal as indicated on the attached Tabulation of Proposals. The contract term is for a two-year period from July 1, 1999 through June 30, 2001. The Pupil Transportation Services for Service Area III, IV, and V on the proposal were for the following areas:

Service Area III: West High School Attendance Area

Service Area IV: Bartlett High School Attendance Area

Service Area V: Special Education Routes Within the Anchorage School District

The contractor for all service areas under the expiring contract is Laidlaw Transit, Inc.

Under the Department of Education regulation, the School District must make an initial determination as to whether each proposal is "responsive." The proposal must materially conform to the Request for Proposals and the District may certify a proposal nonresponsive if it does not appear that the proposer can and/or will provide the specified transportation services. The Administration used the Responsiveness Questionnaire/Submittal Checklist as an aid in determining responsiveness. Substantial analysis and review were conducted regarding the proposal to determine responsiveness. The proposal was certified as responsive.

Proposals were solicited for each Service Area on an individual basis and proposers could submit an "All or None" proposal in lieu of or in addition to the individual service area proposals. Laidlaw Transit, Inc. submitted both a two-

year and seven-year proposal, however, they did not submit individual bids for any of the service areas, but did respond to the "All or None" provisions for the two-year and seven-year for all Service Areas. The total daily rate proposed by Laidlaw Transit, Inc., based on the "All or None" for the two-year period is \$23,814.64.

The Administration conducted a careful review of the Laidlaw proposal and additional information was requested to justify the significant increase in costs. Potential cost savings were identified in the areas of equipment and personnel. The District felt that a cost savings could be realized if the maximum age of school buses was extended from 10 to 12 years. If the maximum age for school buses is increased from 10 to 12 years, 13 buses will be more than 10 years old during the two-year contract. This change will result in a reduction of \$3.28 per route per day in Service Areas III and IV.

The original proposal contained staffing levels above the requirements in the Request for Proposal. Reducing the staffing levels will result in an additional reduction of \$11.22 per route per day. These changes resulted in savings of \$176,805.68 in the first year and \$353,611.36 during the two years of the contract.

The proposal submitted by Laidlaw also included \$56,602 for exit costs at the end of the two-year contract. This is the cost of relocating buses to the "lower 48" in the event that Laidlaw is not awarded a contract for Service Areas III, IV, and V for 2001-2002. The company has agreed to refund \$56,602 during the final months of the contract if they are awarded a contract for Service Areas III, IV, and V beginning in 2001-2002.

This Request for Proposal provides that the contractor will hire and train bus attendants and will be reimbursed for the salary of the bus attendants at the actual hourly rate paid, not to exceed the hourly rate the School District pays entry level regular bus attendants hired after July 1, 1995. The current entry level hourly rate is \$7.35. The School District will also reimburse the contractor for the cost of employer taxes paid on the salary of the bus attendants. The reimbursement to the contractor for employee salary and taxes will be adjusted at the end of the first fiscal year to reflect the changes in the CPI-U. The District has projected approximately 26 percent for employer taxes for an approximate total hourly rate of \$9.26. This arrangement allows the Transportation Department the option to operate a Special Education bus without an attendant if the students on a particular route do not need the assistance of a bus attendant, thus saving the District dollars.

The estimated cost for attendants for the 1999-00 school year is as follows:

Service Area III — None Required = 0

Service Area IV — None Required = 0

*Service Area V — 29,025 hrs. x \$9.26 = \$268,771.50

*Based on 6.25 hours x 27 attendants x 172 days

These figures are based on the approximate reimbursable cost (\$9.26/hour) by the School District and the average route time for the current year.

The Department of Education requested that the District solicit proposals for Pupil Transportation services for two years. The Department is convinced that competition will increase in the future if the District has contracts concurrent with the Matanuska-Susitna School District. The Department has indicated that they will approve the two year contract. The District also asked for an alternate, requesting proposals for Pupil Transportation services for seven years.

The following are attached for review by the School Board: 1. Tabulation of Proposals for Pupil Transportation - Service Area III, Service Area IV, Service Area V, and "All or None" Basis (Attachment A); 2. Abstract of Proposals (Attachment B).

COST BENEFIT ANALYSIS/IMPACT:

The overall increase is approximately 43 percent as compared to the rates in the expiring contract. Alaska Statute [AS 23.10.065(b)] requires school bus drivers be paid 2-1/2 times the Alaska Minimum Wage. The percentage of increase for each route in each Service Area is shown below:

	CURRENT DAILY RATE PER BUS	PROPOSED DAILY RATE PER BUS	INCREASE
<u>SERVICE AREA III</u>			
Regular - 21 Routes	\$201.69	\$316.10	56.7% Increase
<u>SERVICE AREA IV</u>			
Regular — 29 Routes	\$217.56	\$323.46	48.7% Increase

SERVICE AREA V

Special Education — 27 Routes	\$227.95	\$326.82	43.3% increase
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CURRENT DAILY RATE PER BUS	ADJUSTED DAILY RATE PER BUS	INCREASE
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SERVICE AREA III

Regular - 21 Routes	\$201.69	\$301.60	49.5% Increase
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SERVICE AREA IV

Regular — 29 Routes	\$217.56	\$308.96	42.0% Increase
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SERVICE AREA V

Special Education — 27 Routes	\$227.95	\$315.60	38.5% increase
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BC/SAB/tc

Attachments

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Approved by: Janet Stokesbary, Chief Financial Officer