

THE SCHOOL 
TRANSPORTATION
CONTRACTING
TOOL-KIT

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FOREWORD



This Tool-Kit draws from the wisdom of dozens of school superintendents, boards of education and transportation professionals who at one time in their leadership experience made the same decision you have just reached - to convert to the most widely contracted ancillary service in school districts.

Those individuals dealt with the same issues you now confront. Like you, they were professionals who believed their decision to outsource their transportation system was intelligent, responsible and the best for their school district. This Tool-Kit provides some key tips and lessons drawn from their experiences and are compiled to help you avoid potential misunderstandings which could unnecessarily delay the implementation of your contracting decision.

EXECUTIVE SUMMARY



Outsourcing ancillary school support services — such as student transportation — is an increasingly acceptable way of maximizing scarce resources while providing school administrators with more time and money to devote to core educational concerns. At present, an estimated 32 percent of all school districts in North America outsource, or contract, some or all of their student transportation services to student transportation professionals.

Many school executives are either intimidated by the contracting process or are uncertain of what steps to take. The NSTA's School Transportation Contracting Tool-Kit is designed to eliminate the guesswork in the contracting process. You'll find this to be a step-by-step guide filled with how-to's, actionable items and details.

We have incorporated the experiences of leading student transportation providers and school districts into a carefully laid out timetable and transition plan designed to help you:

- enhance transportation services and control;
- ensure an orderly transition to contracting;
- keep employees productive in their jobs;
- minimize resistance and misunderstandings; and
- garner school board and community support for the benefits that will accrue from a refocused transportation service.

The first step in the process is to evaluate the strengths and weaknesses of your present transportation system, and determine your true operating costs. As you'll see in Chapter 1, both your apparent and hidden transportation costs must be identified. By comparing the differences in overall costs and listing the advantages of contracting, you will be well on your way to making the case to change student transportation services.

Winning the school board's advocacy is the next step. While many board members may strongly support outsourcing, typically one will emerge as the key advocate. This individual can help galvanize the rest of the board and the community to get behind a change in transportation services. Chapter 2 explains how to find this champion, and how to get the rest of the board members to work as a team to move the contracting process forward.

Community support is extremely important in changing transportation services. Chapter 3 details the necessary steps to bring the business and civic community aboard and garner their support. It also profiles those who are most likely to join your team. Included are talking points to help you persuade community members to take an active role in supporting contracting and sample letters to potential supporters illustrating the reasons for changing student transportation services while urging their support.

The most effective outsourcing efforts also include a high degree of driver cooperation, an issue to which Chapter 4 is devoted. Generally, it is best to start early in the process by presenting transportation employees with the facts:

- a high likelihood that most of the workforce will be rehired by the private contractor;
- many times contractors match or exceed existing employee compensation packages; and
- contractors have a strong motivation to succeed and will likely invest more in training, safety, vehicles and maintenance.

Public perceptions of the proposed change in student transportation will be highly influenced by media relations. While you may have already accumulated a wealth of experience in this area, Chapter 5 presents specific, proactive steps that will help you deliver the key messages to the media. The chapter includes tips to guide you through a media interview, a list of likely questions and answers regarding outsourcing, and samples of news releases you can offer your local newspaper that explain contracting in your terms.

Developing the right proposal for your district — one that solicits the best responses from transportation providers — is one of the most critical steps in the process. Chapter 6 helps you craft a Request for Proposal (RFP), establish pre-qualification parameters and offers suggestions for a pre-bid conference so that you and potential bidders understand all the terms and options. This chapter also includes a sample Request for Proposals to guide you toward a comprehensive solicitation process, helping ensure you receive the services that fully meet your expectations.

The contract with your transportation provider should be created with a partnership in mind, including each party's responsibilities and performance reports which will allow the district to oversee contractor performance. Chapter 7 lists issues to cover, such as student discipline, driver training and qualifications and safety requirements, and also includes a thorough, detailed sample contract.

The Transportation Contracting Tool-Kit is an invaluable aid to take you from the initial decision to outsource student transportation services to that first year as a partner with a contractor. With a well-prepared plan and effective communications, everyone will stand to benefit from your vision of an enhanced and refocused transportation system.



OVERVIEW:

THE TIME IS RIGHT FOR YOUR SCHOOL DISTRICT TO CONTRACT ITS TRANSPORTATION SERVICES

Contracting - A Global Solution

Nearly a century ago, the emergence of assembly line production methods revolutionized manufacturing by moving the product along a line of workers trained in only one segment. The global trend toward specialization, accelerated by instant data transfer and communication, evolved into “just-in-time” manufacturing efficiency. Just as the assembly line brought everything together under one roof for better coordination, now contracting with outside professionals, or outsourcing, has proven successful because it provides cost and efficiency advantages that simply can’t be duplicated in-house.

In the past several decades, contracting has swept to every corner of the world. Countries, cities, municipalities, and organizations – both private and public – learned they couldn’t do it all so they began to contract non-core services to function more efficiently. Other organizations adopted the practice and found they flourished when they could contract for the most appropriate expertise to best serve the specific task at hand. This extended to the realm of school transportation with the number of contracting districts continuing to grow.

You Have Decided; Now Move Forward

As a school executive, you understand the potential benefits that outsourcing ancillary school services can provide. You have carefully studied the various issues surrounding the management of your school district’s transportation program – one of the areas that can distract you the most. In your role as a leader, you know it makes little sense for an organization whose values are primarily dedicated to education to operate a time-consuming, costly and often inefficient system to transport children from home to school and back again.

You lead your community by advancing the progress of public education. As a steward of the public’s trust and a leader responsible for recommendations on how best to spend precious and limited tax dollars, you have concluded your district’s transportation program would be best managed by a private contractor with unique expertise and capabilities.

Consensus is built through collaboration and information sharing with parties who have a vested interest in strategic decisions. To begin, present the persuasive reasons for adopting a change that can be beneficial to the quality of education, the efficient operations of the school district, and the safety of the community’s children. Gaining consensus takes time, and it begins an established, identifiable process with precise elements that we’ll outline.

The first steps towards implementing your decision requires you to organize your thoughts, prepare your community voice and to communicate honestly and thoroughly with each of the various constituencies who would be affected by the adoption of a private solution for the transportation of your community's school children.

Benefit by the Experience of Others

This Tool-Kit includes the elements of a master communications plan. It draws from the wisdom of dozens of school superintendents, boards of education, and transportation professionals who at one time in their leadership experience made the same decision you have just reached.

While, like you, these individuals made intelligent and responsible decisions, they also faced the same issues you may confront. Just remember that sometimes the greatest of decisions may fail to achieve instantaneous acceptance. That doesn't make the importance of the plan any less; it just makes the work to educate, inform, and acquire consent even greater.

Your fiduciary responsibility presumes consideration of contracting with professional transportation firms for your school bus operations. Reasoned judgment suggests the investment of time and effort to do so will pay economic and leadership dividends in the future. But how can you be sure? And how can you be certain that once the process to privatize begins, your initiative will:

- Enjoy the strong support of the school board?
- Be welcomed by the community?
- Find acceptance among drivers who might fear potential displacement?
- Demonstrate good business and the protection of resources so they can be dedicated to your district's primary mission: education?

The Best Laid Plans Have a Time - and a Sample Plan

A carefully planned and executed conversion to contracted transportation services typically takes several months or more. Timing is crucial to a successful conversion campaign. Present the issue at a time it can be the central focus for community consideration, not during a school board election. The same goes for bond issues. Obviously, it would be inappropriate for the district to consider a major change in operations at the same time patrons are being asked to pass a multi-million-dollar bond proposition.

Things to be included in your plan:

1. Select a board champion.
2. Develop messages that are consistent and compelling.
3. Identify to whom you should present those messages, then deliver the messages.
4. Meet with transportation employees.
5. Hold a pre-bid conference with contractors.
6. Create a Request For Proposals.
7. Evaluate proposals and select a contractor.
8. Negotiate with a selected contractor.
9. Sign the contract.
10. Implement.

Now you have the resources to make contracting a reality, and to make its advantages work for you.

Use the plan example on the next page and adapt it to your calendar to make sure data is gathered, decisions are made, and reports are prepared in time for school board agendas and the annual budget cycle.

PLAN EXAMPLE

- You look at opportunities to save time, money, and operate more efficiently; contracting student transportation proves to provide the greatest benefits.
- Comprehensive evaluation of your transportation costs begins.
- You select a champion among district board members.
- Develop messages to create consensus support; identify members of the team.
- Begin to deliver message to the team.
- Meet with transportation employees.
- Hold pre-bid conference with potential providers.
- Create pre-qualification standards and Request for Proposals.
- Deadline for proposals.
- Notify short list of proposers selected for site evaluations.
- Site evaluations.
- Notification of intent to award contract.
- Award of contract by district board.
- Contract begins.
- **KEEP IN MIND YOU DO NOT NEED TO WAIT UNTIL SEPTEMBER TO TRANSITION; MID-YEAR TRANSITIONS ARE BECOMING MORE COMMON AND ARE OFTEN TIMES EASIER ON ALL.**

Before you go to your school board and community with a proposal to outsource student transportation, you must be thoroughly prepared to present your case. You conducted a comprehensive assessment so you know the problems that exist in your current program. Now produce a concise report that will unequivocally demonstrate the need for contracting. Be prepared to answer detailed questions and explain how the conversion will occur. This chapter guides you in laying the groundwork for the road ahead.

CHAPTER 1:



Convincing Analysis

You have already taken the first step by objectively evaluating your current program from the standpoint of service performance, actual costs, levels of planning, routing, scheduling, cost to purchase new equipment and the maintenance of existing buses.

Compile the information into a document or form to show others what you already know – which is that the district’s resources are not being efficiently utilized towards your primary mission of educating children.

Be Open to New Ideas

Initially, you may find it advantageous to invite one or more private transportation contractors to examine your present transportation system and explore the range of options available. At this stage, it is important to remain open to new ideas from the outside. For instance, you may not be able to realize all the efficiencies of contracting if you remain locked in the status quo. Contractors possess a wealth of transportation experience in a variety of settings. Their fresh perspectives may provide valuable insight into alternatives or variations to your transportation plan and program. It is also important to ask other school districts about their decisions to outsource in situations similar to yours.

Determine What Is Good In Your Current System

Identify the best elements of your current transportation system, particularly those caring drivers who know their routes, their students and even parents and teachers. Begin to eliminate the potential fear of outsourcing by first acknowledging the human assets that create value in your current system. Your report will include a commitment to continue the premium quality of that critical element of transportation services.

But other areas have room for improvement. Those include administrative expenses, equipment, facilities, fuel, maintenance, labor and debt service costs, routing, scheduling, complaint response, and the unending demand for increased administrative attention and a larger piece of the district's overall budget pie. What develops out of the review will become important components to consider in crafting your benchmark for future evaluation.

List the Tangibles

To ensure you capture everything, you must measure a long list of tangible factors:

- Your bus fleet;
- Facility requirements;
- Bus age and replacement schedule;
- Driver recruitment and retention situation;
- School district's financial health and bonding capacity;
- Special education population and requirements;
- Collective bargaining status of drivers and other district employees;
- Enrollment trends;
- Accidents, litigation and workers' compensation history;
- Driver wages and benefits;
- The number of school days (including "off schedule" non-public schools);
- Cost to provide service; and
- Routing requirements.

Taking stock of your current district-operated student transportation system involves more than material costs. You cannot fully analyze the situation by reviewing an inventory sheet listing buses, fuel consumption, tires, maintenance buildings or salaries.

List the Weaknesses

The current approach to transportation is not working when:

- The number of late buses, missed stops or accidents begins to rise;
- Drivers report problems maintaining passenger control onboard their buses;
- Key administrators spend time correcting problems;

- Teachers spend time waiting for a late bus or working with students who have arrived late;
- You or your staff are tied up with transportation complaints and personnel issues;
- Precious time and resources are being diverted away from core educational concerns;
- Growing transportation costs consume funds meant for teachers and textbooks; and
- Scarce capital is being poured into buses and garages rather than new classrooms.

List the Advantages of Outsourcing

Other factors that outsourcing will introduce should also be listed. Such benefits will include many of the following:

- Financing mechanisms available to companies that are not available to school districts;
- Economies of scale that enable private providers to decrease costs and pass on savings;
- The resourcefulness of private partners who bring a spectrum of new ideas and methods to transportation services;
- Private providers can have more at stake because they are not protected by liability limits like many public bodies such as school districts (it is far more profitable to be safe than careless);
- Professional management teams that are knowledgeable and continuously in-tune with the latest standards, regulations and issues;
- Freed up resources to spend on education;
- Improved budget planning and control;
- Better oversight and control of the transportation function; less time spent on day-to-day issues handled by the contractor; and
- Increased technology and safety.

Economic Analysis Includes Hidden Costs

Looking at your district's budget will give you a quick snapshot of student transportation costs. Look deeper to get the whole story. While you have the costs for employee wages and benefits, fuel, buses and parts, you may find that other student transportation costs are listed in different areas of your district's budget.

Hidden costs may be found in:

- Overtime premiums;
- Payroll taxes;
- Extracurricular transportation;
- Administrative overhead;
- Support services;
- Fringe benefits;
- Liability insurance;
- Capital investment;
- Parts inventory;
- Real estate;
- Drug testing;
- Legal fees;
- Testing and repair of fueling equipment and tanks;
- Purchase of small tools;
- Utilities and telephone for terminal and shop;
- General administrative support;
- Workers' compensation insurance premiums or losses;
- Two-way radio expenses;
- Office supplies, equipment and furnishings;
- Building improvements and depreciation;
- Major equipment and bus depreciation;
- Rental or lease for land or buildings used for bus parking, repair and terminal offices;
and
- Opportunity cost for investment in land, vehicles, etc.

The hidden elements show that transportation costs are significantly greater when a thorough evaluation is performed.

PART 2: BENEFITS

Benefit reviews can be extensive. Ensure you include all elements by verifying your data with your Human Resources department, and checking existing or pending labor agreements. Note any agreements or expectations for benefit increases, as well as benefits that continue after retirement.

Supervisors' health plan	\$ _____
Supervisors' reimbursement for not taking health plan	\$ _____
Supervisors' disability insurance	\$ _____
Supervisors' dental insurance	\$ _____
Supervisors' long term care insurance	\$ _____
Supervisors' life insurance	\$ _____
Supervisors' retirement plan contributions	\$ _____
Supervisors' car allowance or other transportation provision	\$ _____
Other supervisor benefits	\$ _____
Drivers' health plan	\$ _____
Drivers' reimbursement for not taking health plan	\$ _____
Drivers' disability insurance	\$ _____
Drivers' dental insurance	\$ _____
Drivers' long term care insurance	\$ _____
Drivers' retirement plan contributions	\$ _____
Drivers'/assistants' uniform allowances or provision	\$ _____
Other driver benefits	\$ _____
Mechanics' health plan	\$ _____
Mechanics' reimbursement for not taking health plan	\$ _____
Mechanics' disability insurance	\$ _____
Mechanics' dental insurance	\$ _____
Mechanics' long term care insurance	\$ _____
Mechanics' retirement plan contributions	\$ _____
Mechanics' uniform allowances or provision	\$ _____
Mechanics' tool allowance	\$ _____
Other mechanics' benefits	\$ _____
All social security contributions	\$ _____
All workers' compensation contributions	\$ _____
All unemployment insurance costs	\$ _____
BENEFITS TOTAL⁴	\$ _____

⁴ District health and other benefit costs often continue long into retirement. While difficult to calculate, the gradual elimination of these ongoing costs through outsourcing must be figured in as well.

PART 3: TRAINING AND TESTING

List all costs surrounding training and testing for both new hires and returning employees. Include any CDL training and license fees that your school covers or reimburses.

Fingerprinting costs	\$ _____
Criminal background checks (state and federal)	\$ _____
Driving history checks	\$ _____
Sex offender register checks	\$ _____
Drug and alcohol testing	\$ _____
Physical examinations	\$ _____
Pre-service driver training	\$ _____
Trainee wages, if applicable	\$ _____
Test fees	\$ _____
License fees	\$ _____
In-service safety classes	\$ _____
Annual driver evaluations/road tests	\$ _____
Driver trainers' ongoing training and certifications	\$ _____
Mechanics' shop/classroom training	\$ _____
Mechanics' ongoing training and certifications	\$ _____
Supervisors' training, conferences, and certifications	\$ _____
TRAINING AND TESTING TOTAL	\$ _____

PART 4: FACILITIES

There are always costs (or opportunity costs) for the garage and bus parking facilities/lot. Include these in your calculations. If you have any questions, speak with your local NSTA contractor representative to help with this calculation.

Garage/bus lot lease (or opportunity cost)	\$ _____
Garage equipment/tools	\$ _____
Fueling infrastructure	\$ _____
Bus lot security (e.g. cameras, electronic locks)	\$ _____
Environmental disposal, testing	\$ _____
Garage/shop utilities (including heating oil)	\$ _____
Diagnostic computer programs	\$ _____
Building/property/liability insurance for shop/yard	\$ _____
Repairs and upkeep for garage/bus lot	\$ _____
FACILITIES TOTAL	\$ _____

PART 5: VEHICLES

As you begin this section, outline the age of your fleet and when new vehicles will be required. It will help provide a more comprehensive review of your fleet. Also, create a list of “like to haves” so you have an idea of what it would cost to upgrade your existing fleet with the video or tracking equipment you want on your district buses.

Vehicle purchases/leases	\$ _____
Vehicle depreciation	\$ _____
After-market equipment (e.g. radios, cameras)	\$ _____
Parts	\$ _____
Diesel fuel	\$ _____
Other fuels	\$ _____
Oil and lubricants	\$ _____
Antifreeze	\$ _____
Tires	\$ _____
Communications network (cell phones, radios)	\$ _____
GPS or other locator fees	\$ _____
Liability insurance	\$ _____
Contracted vehicle repairs/maintenance	\$ _____
Vehicle registration/title/permit fees	\$ _____
Vehicle inspection fees (MVC, state, DOT, others)	\$ _____

VEHICLE EXPENSE TOTAL \$ _____

PART 6: TRANSPORTATION OFFICE

This section includes all the behind the scenes components that many of us forget are part of providing school transportation. Examples include printing and mailing route cards, maintaining your bus office, and managing parent/student relationships.

Office equipment (e.g. copier, fax)	\$ _____
Office furniture	\$ _____
Office utilities (including heating oil)	\$ _____
Phone service	\$ _____
Internet service	\$ _____
Computer equipment/network	\$ _____
Routing software	\$ _____
Supplies	\$ _____
Postage and shipping	\$ _____
Building/property/liability insurance for office	\$ _____

OFFICE TOTAL \$ _____

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PART 7: ADMINISTRATIVE COSTS

Calculate the time specific to transportation operations spent on each of the following line items.

Payroll processing	\$ _____
Purchasing	\$ _____
Accounts payable and receivable	\$ _____
Benefits administration	\$ _____
Labor relations and negotiations	\$ _____
Advertising (e.g. help wanted)	\$ _____
Legal support	\$ _____
Complaint resolution	\$ _____
Employee issues (e.g. discrimination, terminations)	\$ _____
Budget preparation	\$ _____
Board and state reporting	\$ _____
ADMINISTRATIVE TOTAL	\$ _____

PART 8: CALCULATION OF DISTRICT COSTS

List all totals from above in this section.

Part 1: Wages total	\$ _____
Part 2: Benefits total	\$ _____
Part 3: Training and testing total	\$ _____
Part 4: Facilities total	\$ _____
Part 5: Vehicles total	\$ _____
Part 6: Transportation office total	\$ _____
Part 7: Administrative total	\$ _____
TOTAL EXPENSES	\$ _____

Number of **routes** operated by fleet _____

Now, divide your total expenses into your number of routes.

AVERAGE COST PER ROUTE FOR YEAR STUDIED \$ _____

PART 9: PROJECTION OF NEXT YEAR EXPENSES

Since these calculations are based on your previous year’s expenses, they must be adjusted to project accurate costs for the coming year. The projection can be accomplished two ways: 1) recalculate all the line items to reflect projected increases for each, or 2) increase the average actual cost per route based on historical data. Whichever option you use, be sure to take into account any unusual changes in line items, such as fuel increases, changes to labor agreements, and any additional items, such as a new equipment mandate.

Following your adjustments, update the following:

AVERAGE PROJECTED COST PER ROUTE FOR UPCOMING YEAR \$ _____

PART 10: SERVICE CONSIDERATIONS

The cost of transportation is only one measure of its value to a community. Service is the other. A transportation system that is unreliable — where breakdowns and late deliveries are frequent — or that results in dissatisfied parents who demand increasingly more of administrators’ time to handle complaints does not serve the district well. While some of these service categories are difficult to measure, considering each of them will allow you to determine the level of service you are providing, and whether that level is getting better or worse over the past five years.

	<u>5 years ago</u>	<u>Current year</u>
Safety performance (accident rate)	_____	_____
On-time delivery (% on time)	_____	_____
Spare driver ratio	_____	_____
Driver shortage (% short)	_____	_____
Average age of fleet	_____	_____
Spare bus ratio	_____	_____
Inspection results (# defects)	_____	_____
On-road breakdowns (#)	_____	_____
Complaints (# reaching admin)	_____	_____
Customer response level	_____	_____
Flexibility	_____	_____

PART 11: CALCULATION OF OUTSOURCING COST

While administrators sometimes look at prices of contracted service in nearby districts to estimate the cost of outsourcing, contracts can vary significantly in their specifications, making this an unreliable comparative measurement. More accurate figures will be obtained by soliciting bids or Requests for Proposals from contractors for your particular needs. Soliciting a bid does not require you to contract your services, but can provide you an accurate cost comparison.

From bids or proposals:

Total cost of all large bus routes \$ _____

Total cost of all small bus or van routes \$ _____

Total cost of activity trips \$ _____

TOTAL COST OF OUTSOURCED SERVICE \$ _____

Number of routes to be operated by contractor _____

Divide total cost into number of routes

AVERAGE COST PER CONTRACTED ROUTE FOR UPCOMING YEAR \$ _____

To determine total projected savings from outsourced transportation, subtract the cost per route figure in Part 10 from the cost per route figure in Part 9, and multiply that figure by the number of routes (which should be the same in both Parts).

TOTAL SAVINGS FROM OUTSOURCING FOR UPCOMING YEAR \$ _____

PART 12: CONTRACTOR SERVICE CONSIDERATIONS

Just as schools are specialists at education, contractors are specialists in transportation. Asking the right questions will help you select the contractor best suited to your school's needs.

Safety performance (accident rate) _____

On-time delivery (% on time) _____

Customer satisfaction _____

Spare driver ratio _____

Driver shortage (% short) _____

Average age of fleet _____

Spare bus ratio _____

Inspection results (# defects) _____

On-road breakdowns (#) _____

Complaints (# reaching admin) _____

Customer response level _____

Flexibility _____

Quick Quiz For Your True Transportation Situation

The answers to a few questions will help you show your board and others that the district's student transportation program require renewed scrutiny.

1. Does your bus fleet meet your state's recommended maximum bus age?
2. Does your transportation department have a preventive maintenance program based on the number of miles operated and regularly scheduled intervals?
3. Are you confident that all accidents, no matter how minor, are reported, investigated thoroughly and corrective measures taken to avoid recurrence?
4. Does your transportation department have a thorough driver-training program for new and existing drivers, including behind-the-wheel training, classroom time, performance appraisals and drug testing?
5. Do you track accident frequency to determine trends and causality in your accident rate?
6. Have your on-site administrators, teachers and other teaching personnel ever had to drive a bus because of driver shortage?
7. Have you remained free from questionable work-related insurance claims from your transportation department?
8. Is your driver-to-administrative staff ratio less than 10 to 1?
9. Are your drivers' hourly wages very close to the market rate for the same or similar work in your area?
10. Do you have a driver pay scale in place that measures and controls labor in terms of hours instead of length and routes?
11. Are you maximizing state reimbursement through accurate documentation, frequent evaluation of routing and accurate student counts?
12. Does your assistant superintendent or business manager spend less than 3 percent of his or her time on minor transportation issues?
13. Do you seldom or never have recurring transportation-related problems that your administration has to deal with?
14. Do you measure administrator, driver, parent and/or student satisfaction with your transportation program?

If your answers are "yes" to all questions, you are running an excellent transportation program. However, if you have answered "no" to any of these questions, contracting may bring substantial improvements to your transportation services.

SAMPLE MEMO

MEMO

TO: District Principals, Administrators, Staff Members
FROM: Superintendent
RE: Assessment of Student Transportation Services
DATE: Today

The value of our student transportation systems must be assessed from time to time. This provides an accurate picture of the bus services we offer and how well we are serving our students and community. Please take the time to review the items listed below as they pertain to our student transportation services and forward your findings to my attention at the Central Office. We are always looking to benefit and learn from both our successes and shortcomings; your input will allow us to make any required improvements.

List those outstanding incidents you have seen in the delivery of transportation services such as:

- Creative efforts taken to improve safety and conditions for students on the bus, before they boarded and after they departed;
- Additional actions taken by drivers, students, parents or other faculty to better coordinate transportation services;
- Efforts taken to elicit and foster cleanliness, tidiness and a pleasant environment both on the bus and at stops; and
- Known measures taken to curb disciplinary problems on the bus.

List specific incidents that you may have directly dealt with during the past two years, keeping in mind such problems as:

- Children being missed or arriving late;
- Parental complaints regarding transportation issues;
- Key building administrators who spent time in the parking lots correcting problems that should never have arrived at their doors;
- Teachers who spent time waiting for a late bus or bringing up to speed students who have arrived late; and
- Staff members who have been tied up with complaints.

Please respond by September 20 so your input can be evaluated. Thank you.

Ideally, all board members will favor contracting, quickly understanding it is in the best interest of the students, district and community. While the majority will be behind you, there will be one in particular who can best help lead the charge from the inside. Before you present your report, find the board member who believes in and will best champion the change. This chapter helps you identify and recruit that person - who in turn will galvanize all members to move forward with partnering with a contractor.

CHAPTER 2:



Board Advocacy

You have developed a working relationship with all members of your school board. You know their interests, education, social background, vocation, politics and temperament so well that it will be obvious to you who would best champion a shift from internally-operated transportation to contracted service. There may be several members who fit the “key advocate” or “champion” profile, but there is probably one who best fills that role – and who deeply wants to drive the change.

Your Board Is Your First Team; Pick Its Champion

Your school board is composed of members who reflect a diverse, supportive community dedicated to educational excellence. Some school board members will advocate the cause for contracting because they understand the business world and its adherence to strict economic and performance accountability. Of universal appeal to all board members will be safety, efficiencies, economies of scale and expanded professional experience that will be utilized in serving your schools - an element that even the largest districts cannot economically provide for themselves.

Your Candid Approach

Approach the board member you feel will best serve as a champion for shifting transportation services:

- Present your plan in detail.
- Ask the board member to take a day or two to consider where he or she wants the district’s transportation services to be in another year, and to get back to you with their thoughts.

- If the member has already given this consideration, you may not have to wait more than a few seconds before asking if they will help you educate your district on the efficiencies and related benefits of contracting, with the goal of achieving these within a set timeframe.

Know the Rest of the Team

Take steps to build support from the rest of the board:

- Examine each member's social/political/career profile and interview them individually for the values they want in a school transportation system. Those values will help you design a campaign that will bring together community support based on the platform that each board member understands and represents.
- Determine in advance which board member may resist and the reason behind it. Your profiles and past experience should give you solid direction. Contentious battles among board members will also be a clue.
- Some people will simply resist certain initiatives that do not directly contribute to the special interests they advocate. The temptation, of course, is to approach those individuals or institutions who you think may resist you and attempt to overcome their resistance or objections in a forthright effort to gain consensus before the full presentation is made.
- Do not spend an excessive amount of time trying to convince someone who is diametrically opposed. Healthy skeptics can be persuaded; but while you may maintain a courteous dialogue, never allow a discussion to become a debate. Energy is better spent reinforcing advocates and bolstering neutrals.
- With the assistance of your chosen champion, review all the legitimate concerns that might - or should be - raised, and secure solid answers. This does not mean you will necessarily convince an adversary to switch their stance, but it will keep him or her from gaining advocates because you will have answered each concern.
- Do not present to the board until you are comfortable with these answers. A thoughtful, detailed, and factual response removes any trepidation.
- If there are still some details that cannot be fully addressed in the board meeting, work with your champion to ensure you have the opportunity to provide the answer at the next meeting.
- Seek constant feedback from board members who represent your district's patrons and are conduits for opinions and moods in the community. This is valuable intelligence gathering that can be beneficial during your campaign to mobilize public support for contracting.

Be the architect who designs the team of experienced consensus builders in your community. Your district's decision to contract student transportation will be a convincing demonstration that your district is being operated in a business — like fashion from both an economics and community relations perspective. This chapter explains the way in which you can convince your own community that outsourcing is the best way to go.

CHAPTER 3:



Community Support

In creating a strategy to enlist the support of community-minded business leaders, your own employees and the press, you must first evaluate allies in much the same way that you did your board members. Ask these team members to help you answer questions regarding contracting and sell the concept's advantages to the community.

Recruit Leaders to the Team

Business leaders known for their community involvement and their practice of providing employment opportunities, citizens involved in youth organizations (sports leagues, Boy Scouts and Girl Scouts, 4-H, etc.), and leaders of community betterment groups (neighborhood organizations and watch groups) are among the best people you can turn to for support. You may see some of these people daily and will feel comfortable approaching. For others, you will need a strategy to reach out, bring them on board and delegate meaningful roles for communication.

You must emphasize to these leaders that contracting:

- Efficiently utilizes the district's economic resources;
- Reflects sound business logic by contracting for professional services;
- Frees district administrators to concentrate on the mission of educating children;
- Provides the district with the most knowledgeable transportation expertise in a field that continues to increase in complexity; and
- Continues to employ the best drivers and maintenance staff who are committed to your community and the safety of children.

Show Them Your Way Is Their Way

In your community, the likely advocates are the boosters of a better tomorrow; the people who have always embraced a positive vision of the future and a willingness to shape it rather than be shaped by it. These are the individuals who are:

- Community builders;
- Leaders of progressive, successful and respected institutions;
- Influential community members who take position with a new vision rather than remain rooted in the past; and
- Policy makers who wrestle with the issues of limited resources and stand prepared to invest some of those resources to deliver better results.

These individuals should be enlisted as ambassadors because they will also advance the initiatives in the community. Invite them to express their opinions to the school board, speak out in the media and rally support during other community meetings.

The Best Candidates

Those who may play a dual role in the community and are already accepted as leaders will be among your best team candidates. They may be a leader in one role, a member of a team in another, but always seem to be committed to improving their community.

Some examples:

- A teacher who is a city council member;
- A coach involved in church or volunteer activities; and
- A business person whose son or daughter is active in sports or school leadership.

Those who you contact early-on should be enlisted to contact others. This works like the “calling tree” that was established decades ago for school closure notification on inclement weather days. Contact someone in each category - Little League, Rotary Club, Boy Scouts, Girl Scouts, etc. - and ask them to contact other advocates in those groups to spread the word. Eventually, you will have personally contacted all of the key people you have determined will work well as a team.

It is not necessary to contact them first or formally, however it is preferable to talk with them in person. Seek out potential team members at football, basketball or other sporting events, organization luncheons, and during community events like holiday lightings, July 4th fireworks or homecoming celebrations. Chatting with them in the grocery store or library even works as long as you can get the message across and gauge their interest.

Parent-teacher organization leaders hear transportation complaints from both ends; they get parents who are frustrated at missed stops and late arrivals, and teachers whose classes are delayed or field trips marred by late arrivals and departures. They want to focus on education, not transportation issues. Tell them that is why you want to enlist their support. Students who come to class on time with minimum disruption enroute are ready to learn.

Talking Points to Potential Team Members

Keep in mind the same key talking points in each conversation with potential team members (including board members):

- We have a good transportation system, but it needs to work better and more efficiently.
- The district's administrative attention is becoming drawn more toward peripheral issues such as transportation and away from the mission of education.
- The district needs to be less involved in the business of bus parking lots, maintenance buildings and equipment for transportation, and more involved in the business of classrooms, teachers and books.
- The care and safety of our children should continue to be our first priority in transportation services.
- Transportation is demanding an ever-increasing piece of the district's budget.
- It is time to consider contracting to maintain the level of care, safety and efficiency this district demands.

Once you have established a team of advocates in the community, you can set up meetings with them as a group, schedule appearances before civic organizations to explain the transition to contracting and send advocate-building letters to key influencers beyond your team. This written correspondence is critical in that it attracts additional team members and serves as a document of respect and information for those who may otherwise feel slighted by not having been approached earlier.

Team Members on the Inside

Support within the district's walls should begin with principals and vice principals. They will set the tone for their staff, who often are first to field calls and handle immediate complaints regarding transportation problems.

Business and support services administrators also play a strong role in delivering the message of contracting's value. They understand the fiscal and administrative details within the district so their perspective carries credibility.

Athletic directors and coaches must rely on transportation to take their teams to away games. They witness firsthand the transportation delays that cause scheduling havoc for their games and tournaments. The same holds true for teachers who accompany students on field trips. They also are likely to become eager allies to the cause. The rapport they have developed with parents helps deliver the message that change is needed - and welcomed.

SAMPLE LETTER

John Doe
1234 Long Street
City, ST 12345

Dear Mr. Doe:

Your dedicated efforts have helped make the Consolidated School District a community strength that delivers a solid educational foundation for our young citizens. We share a strongly-held desire to make the most efficient use of our assets to advance our overriding mission of educating our youth.

After some research, I have become convinced that measurable strides forward in this mission will require some new thinking. Past modes of operating need to evolve with the changing times if we are to continue providing the best educational opportunity in our community. That is why I am writing to you and requesting your help.

The time has come to take advantage of external resources for our school transportation needs. Our administrators and I have become increasingly drawn away from our primary mission of education. We are finding ourselves expending more time dealing with bus routes and maintenance than with pupils, teachers and obtaining the best efforts from both. A transportation system should carry students safely to and from school and extracurricular functions on time and with care. But it is increasingly obvious that such services can be better provided in another way through the use of expert contractors.

Contractors are providing outsourced transportation services elsewhere that far exceed our ability to provide the same services in-house. Mindful that our children's care and safety are our first priority, and fully cognizant that contractors have everything at risk by not providing the safest, fullest services, it is obvious to me and to others in our community that the time has arrived to consider contracted transportation services for our district

Will you please join with me and others in our district to make this improvement a reality? I may contact you soon to talk more about this. In the meantime, if you have any questions or concerns, please call me.

Sincerely,

Ms. Jane Smith
Superintendent of Schools
Consolidated School District

Current bus drivers can be among your most valuable personal assets, but they may fear the loss of their jobs. Facts and information can disarm their fears. Focus on what will remain the same — but also let them know how they will benefit from the elements that change. For example, their routes may be better organized, their buses may be better equipped, and their training may be more in-depth and comprehensive. You can make the conversion easier by being direct and sharing information up front. This chapter will provide some tips to help you along the way.

CHAPTER 4:



DRIVER COOPERATION

Ripples Can Become Waves - Overcoming Fear

The school district's current drivers and mechanics are the front-line employees most affected by the district's decision to outsource. Generally these employees are valued for providing safe, responsive and professional transportation services to the school system and community. You need to ensure you convey your sincere interest in preserving their livelihoods throughout the transition.

Fear of contracting and its unknowns can be a difficult and emotionally charged issue. As many veteran administrators will attest, even the rumor of contracting can cause concerns with employees. Employees' fears and misperceptions must be addressed before they erode the conversion process. Begin by laying the groundwork and strengthening your relationship with drivers and mechanics.

Make an Early Appearance

If you have developed a good working relationship with your drivers, build upon it. At some point early in the school year, go to the drivers' room or wherever they assemble prior to work. Ask your drivers where the district administration can better serve the students regarding transportation. Use this opportunity to ask individual drivers about their concerns. You are interested in this program, and they need to know that firsthand.

They may also need to see you more often so they feel involved. Be ready to show them where you have taken their suggestions seriously by enacting changes. Then ask them whether those changes are solving the original problem or further action is required.

Demonstrate Your Gratitude – Elicit Support

Your communication to the drivers must include these points:

- School bus drivers do more than merely operate machinery for the school district;
- They care for and safely transport the community's most valuable asset – the next generation of leaders – to and from schools each day;
- Parents, teachers, school administrators and certainly the students themselves understand the important role school bus drivers have in the community;
- The district is always seeking ways to improve transportation services;
- Driver input is valuable;
- Excellence in education begins with a safe, punctual arrival at school and continues with a safe, punctual return home; and
- Make reference to the transportation director's new role.

Each district's situation differs. In some districts, any change will be met with hostility, while in other districts, drivers and mechanics will be more open to change. Consider your approach to determine who can assist with your efforts. Write a letter to your drivers, and at the bottom of the letter ask each driver to contact you personally if they are willing to serve as a liaison to plan the district's transportation future. Those who do are candidates to participate as team members when you launch a campaign to convert to outsourcing. Those who do not contact you have been offered an opportunity to participate. So if they raise concerns later, you can say that their input is, indeed, valued and has been sought.

Knowing the Facts Helps

Recognize that your drivers will be concerned about the possibility of contracting bringing about changes in the way they work or the salaries they are paid. Expect drivers to be influenced by rumors. Look for opportunities to preempt those rumors with information about the decision-making process now underway. Earn advocacy from the broad base of drivers who will likely remain employed by the school district's private contractor because you will negotiate arrangements with them to make sure there is not a complete displacement of driver staff members as a consequence of your decision.

Here are the facts:

- Contractors typically hire a high percentage of the existing workforce - all who pass state requirements, meet the contractor's qualifications, and who genuinely want to work. A common misperception is that current drivers will lose their jobs and be

replaced by workers from outside the community. That is unrealistic, impractical and inconceivable from the contractor's standpoint. The best drivers live in the community, know its people, its roads and weather conditions. Experience is invaluable.

- It is false to assume a contractor will provide lower wages or a worse compensation package. In many cases, contractors will propose to match or exceed the current employee package.
- Contractors care about the safety of their passengers. Everyone in the company's livelihood is at stake if safety is not a top priority.
- Share these points with your board members. Impress upon them the high probability that some drivers will resist this change and that the board members should expect to hear protests from those drivers and their supporters.

Decide When to Announce Your Plans

Before the campaign to contract your transportation services begins, you will have to decide when it is in your district's best interests to apprise all drivers of your intention. Know the past history of your drivers' relationship with the district and the community, collective bargaining requirements or other factors that may affect timing.

Early Disclosure

Generally it will be best to let drivers know earlier rather than later, and tell them specifically what it will mean for them. Early disclosure is an advantage particularly if your drivers understand early in the process that they will have an inside track to job opportunities with the contractor. However, early disclosure does provide the most time for opponents to mobilize against contracting.

Explain Your Decision

Once the decision to contract has become widely known, be prepared to neutralize the potential negative reaction of current drivers who fear their jobs will be lost in this transition.

Assure them that:

- Opportunities for employment with the contract provider are greatly enhanced for those experienced drivers currently with the district.
- Drivers who become proactively involved in making the transition may be viewed as leaders.
- Districts throughout the nation have successfully contracted transportation services to the satisfaction of drivers in their communities who became actively engaged in the process.

This is best done by repeating the process above: (1) meet with them informally - not formally; (2) send them an open letter.

Where Does Your Transportation Director Fit?

Deal with your transportation director in a forthright manner. You are confronting that person with an indisputable fact: change is inevitable.

Like drivers, it is best to tell your transportation director early rather than later. In some districts, the transportation director has remained, serving a new role as the district's or school board's representative with the contractor. In other districts, the transportation director's job is eliminated or they sign on as an employee of the contractor. Discuss this issue both with your contractor and with your board to see what works best for your district.

There are proven ways to turn your new bus service into a solid community asset. This process begins with open communication and good media relations — both of which are also integral parts to any successful privatization endeavor. Public and community acceptance for contracting student transportation services can be linked, in many instances, to strong working relationships with the local news media.

CHAPTER 5:



MEDIA RELATIONS

A New System Is News; Make It Your News

The discussion of contracting transportation services will be closely watched by the community and media. This is understandable because you have introduced a major change. You are likely to encounter an “inertia” problem; critics who see no reason for the change and who will look for the negatives, not the improvements. Their skepticism may show up in letters to the editor or in less obvious ways - perhaps as an undercurrent of gossip in the community.

The potential for mounting opposition to outsourcing demands that you become proactive early in the process. Members of your team must be called upon to counter critical commentary with facts, support and volume.

This chapter provides advice on generating a positive community and media relations response to the program. Your district’s public relations professional should be involved in writing and orchestrating much of this work.

Team Members in the Media

Your area and community newspapers, television and radio stations also need to be brought into the contracting discussion. They have an obligation to inform patrons. You can make their job easier, as well as gain an ally, by establishing a bulleted outline of why the district is considering a change in transportation services.

First approach the publishers of newspapers and the general managers at the radio and television stations. Give them the background as you would any other peer in any other position of leadership. Ask them to define what they want to see in school transportation.

Be sure to incorporate some of their points in your outline.

Keep in mind:

- You are building a constituency among opinion-shapers, not merely news-gatherers.
- This is a separate relationship, to be maintained separately from your day-to-day contacts in the news business and your efforts to generate publicity.
- Reporters who regularly cover the district may become concerned that you are going over their heads. Assure them that your contacts within their organization have more to do with community support than any intention to affect news content.
- In many communities, those in the management levels of the news business are also active in other civic affairs. While their advocacy can be an asset, there are times that involvement places them in a conflict of interest.
- If you have a school board member connected with a radio or television station, or newspaper, you have a special issue that may need outside advice from a professional public relations consultant.

Recruit Your Standing Allies

Parent-teacher organizations or associations can help build a support team to assist district patrons in understanding the importance of outsourcing. A letter to members of PTOs/PTAs who you will enlist in getting the word out should precede a more broad-based letter to all parents, teachers and other district employees announcing details of the new contracted transportation services.

Opportunities to develop a better public image and a more thorough understanding of contracting begin as soon as you consider conversion and continue after you sign your contract. At the first indication that contracting is being considered, begin to monitor community sentiment by reading letters to the editor of your local newspapers. Take advantage of the opportunity to write an op-ed article for the opinion page. Encourage supporters to write their letters to the editor.

The transportation firms who seek to contract with your district likely will be providing transportation services somewhere else in the region. If the contract is signed and announced during the school year, ask the superintendent of the nearby district being served by that contractor to meet with selected members of your community, particularly your supporters and the media. If that is not possible, ask the superintendent to write a letter of endorsement, agree to a phone interview with a local reporter from your area or direct the reporter to someone in that district's administration who can offer an objective and positive assessment

of the contractor's services.

An Inside Endorsement Rings True

Ask the contractor to select a driver in a local district that made the transition, maybe even a parent or two who have had positive experiences with the transportation services and who will be willing to answer a reporter's questions.

Generating these stories now, months before the contractor begins providing services on the first day of a school year, will likely be far more positive than had you done nothing and were stunned by negative publicity on that first day of school.

The Countdown to the Start of School

Days before the beginning of the school year, when the contractor is still training drivers who are becoming familiar with their new routes, offer to take community representatives and reporters on a training route. Make sure that the driver is someone who either has volumes of experience, is a carryover from the former district-operated system or both. The key is to show that your district is prepared and students will feel comfortable with the new system.

During this time, direct your public relations officer to compose a press release announcing:

- Commencement of the new transportation services;
- Changes that will occur;
- The many things that will remain the same;
- If the contractor has retained a majority of drivers who previously worked for the school district, point that out;
- A list of drivers who have been with the district five years or more;
- A transportation hotline number for comments, suggestions and to report problems "if they occur";
- Any new safety features, addition of buses, improved maintenance or added routes;
- You may also consider adding a quarterly or monthly newsletter or column written for the local newspaper providing transportation news, safety tips and featuring profiles of driver-student or parent-driver partnerships that promote safety, convenience or overall well-being; and
- Another great tool is driver-of-the-month and student-rider-of-the-month awards for those who have done something outstanding to put a positive light on transportation.

Be Prepared

Now that you are contracting your transportation services you will have a partner to assist you during difficult circumstances. While everyone works hard to ensure the first day of school is flawless, and to prevent accidents, incidents and vandalism, you must anticipate and prepare for any event that would generate negative publicity.

Here are a few tips to guide you:

- Long before an incident occurs, make sure one person is the designated spokesperson. Have a backup spokesperson for when the lead person is out of the district or absent.
- Make sure you and the contractor have coordinated a line of communication via accessible phones when a crisis situation occurs. A designated hotline will save confusion and embarrassment.
- Gather the facts. As soon as you learn of a crisis situation, which is hopefully before reporters start calling, ask the same type of questions that diligent reporters will ask you. What exactly happened? Who was involved? Be sure to get the basic logistical questions, such as exactly when and where, directions of travel, etc.
- Never say, “No comment.” If you don’t want to comment, find another way to answer. It is far better to say something like “We are still gathering information. Can I call you back in 10 minutes?” Then make sure you call back in 10 minutes, even though you may know little more.
- Formulate key messages. Take a few minutes to organize your thoughts into a coherent response. Put it on paper. Write your notes using these main headings: 1) review of basic message (bus slid off road, collided with another vehicle, etc.); 2) list known facts (8:12 am at Jackson Road and 22nd St., 43 kids, Tom driving); 3) any silver lining (no injuries, spare bus there in 12 minutes, etc.)
- Anticipate the worst questions the press might ask (how old is the bus, how experienced is the driver, etc.) and include appropriate answers in your written notes.
- Stress first and foremost the district’s concern about the safety of the students.
- Point out the partnership between the district and the contractor regarding preparations for whatever incident has occurred.
- Offer to review in detail the district’s transportation policies, which have been arrived at through partnership with the contractor.
- Know the number of student-miles per year that the district’s transportation system covers, the number of bus stops, and the number of successful vehicle inspections. Use this data to explain the scope of the transportation mission, not as a benchmark for miles per accident.

Be prepared for some likely questions with the right answers. The following Question and Answer list will prepare you for contracting inquiries.

OUTSOURCING QUESTIONS AND ANSWERS

Q: How can contracting provide better transportation services than in-house student transportation departments?

A: The demands and complexities of running a transportation system continue to rapidly grow. Unless the district can afford a large staff, it can be difficult to keep up with all the technological advances, training requirements, environmental regulations, rising health care and liability costs. Partnering with a student transportation expert brings the school district an important advantage in this area. Economies of scale and corporate focus on transportation enable the contractor to train and support local operators with a staff of full time experts in such fields as safety, human resources, customer service, vehicle maintenance, purchasing, facilities and energy management, environmental compliance, legal and accounting services.

Q: Won't the district lose control of the transportation program when it contracts out for service?

A: The school district is likely to gain even more control. The district sets the transportation policies; the district approves the budget - which remains fixed over the contract period. The district also sets the service requirements such as on-time performance, training, safety programs and vehicle condition. Finally, the district may approve of the contractor's employees serving the district under a variety of prescribed situations.

Q: Will the administration still have to spend as much time involved with transportation as it does now?

A: By contracting, the district has the advantage of overseeing the direction and control of the entire transportation system, without the preoccupations of managing all the day-to-day aspects that often take time away from education.

Q: How can a contractor provide transportation service for less cost than our district operation and still make a profit?

A: Contractors benefit from economies of scale in purchasing, maintenance and facility operations that involve thousands of vehicles. The competitive nature of private enterprise forces contractors to keep close vigilance over costs and continually seek out new ways to operate safely and efficiently. These cost savings are passed on to the district in the form of lower overall prices for services.

Q: How can the district be sure the contractor lives up to its obligations? What is the district's protection?

A: A contractual agreement obligates performance to the district. Ultimately, the district

can seek out other contractors if it is displeased with the services. Prior to entering any agreements, however, the district will seek to gain complete confidence in the contractor's capabilities through close examination of its service to other communities and its references. It is in the interest of both the contractor and the district to foster a partnership built on trust, understanding and a desire to meet each other's needs.

Q: Will the contractor have the same concern for safety as the school district?

A: Statistics show that school buses are the safest form of surface transportation – and contractor-operated systems are in many cases safer than district-operated school transportation. Contractors do not have liability immunity that some school districts receive according to state laws. Therefore, it is also in the contractor's economic best interests to keep safety a top priority.

Q: Are costs ever cut in the area of safety for the sake of profit?

A: Skimping on safety expenditures serves no one's best interest, least of all the students. A contractor's investment in safety systems and training programs has always been among its most prudent investments, yielding fewer accidents and increased customer satisfaction.

Q: What if the district decides to return to its in-house program?

A: If desired, the district can revert to its in-house program by inclusion of a "buyback" clause in the contract. However, this would be a very rare occurrence if proper care was taken to seek out a reputable supplier, and specifications were written to clearly meet district needs.

Q: What happens to the district's buses and facilities if it contracts out for transportation services?

A: Contracts can be written to provide a great deal of flexibility and even additional income to the district. For example, district facilities can be converted to other uses, sold or leased to the contractor. Vehicle and parts inventories can be retained or appraised and sold, allowing the district and the contractor to keep the best equipment and eliminate the rest.

Q: What happens to the district's employees when it contracts out for transportation services?

A: Employees who are recommended by the district and meet the contractor's employment criteria are typically given the right of first refusal for all available positions. From the contractor's point of view, it makes good business sense to hire the best quality employees who already work for the district and live in the local community.

Q: Will the employees hired by the contractor be paid a fair wage? Their livelihoods are at stake.

A: Contractors typically conduct annual area wage surveys to set wage rates that are

attractive yet competitive in the marketplace. It is also important to recognize that the contractor offers a total compensation package that encompasses much more than hourly wages alone. Many contractors provide driver recognition and bonus incentives, additional charter trip income, subsidized health insurance options, an employee stock purchase plan, a company-matched retirement/savings program, credit union access, employee involvement programs, and career development and tuition aid programs.

Q: Will the money spent for transportation stay in the community?

A: Contractors pay wages to local employees who operate and service the contract. Supplies and services typically are purchased from area businesses. The contractor also pays sales, property and income taxes locally and to the state, which contributes toward educational funding. It is generally in the contractor's best interests to become involved in the community, both through civic action and financial investment.

Here are some examples of a press release, a newsletter and a newspaper column that can be prepared to further your cause:

For Immediate Release

[SAMPLE NEWS RELEASE]

Date and Year

For more information, contact:

Name

District

Phone Number

TO: ALL MEDIA

****** District Students Now Served by XYG Transportation**

CITY, ST. – The Unified School District has contracted for student transportation services with XYG Transportation, City, ST, beginning this fall.

“The increasingly complex business of transporting students to and from school and to school events will be handled in a safe and caring manner by this experienced professional firm,” said Superintendent Jane Doe of the Unified School District. Doe said the Unified School Board approved a contract with XYG Transportation during its June 10 board meeting. The decision concludes a five-month process to determine future transportation needs for the district and to select the most qualified provider.

XYG Transportation, a 40-year-old firm involved in providing transportation to public and private school districts in 18 states, also serves Double Unified School District in adjacent Doe County.

XYG Transportation will continue to operate and maintain district-owned buses while it introduces its own equipment over the span of its five-year contract. Route changes will be kept to a minimum and final route information will be mailed to students and their families in mid-August.

“We are making every effort to ensure all of our drivers will be taken care of by their new employer,” said Superintendent Jane Doe. “XYG Transportation has offered positions to all qualified drivers who want to work for them. We expect a high percentage will accept employment.”

A new Service Line for comments, suggestions and inquiries regarding routing changes, missed stops or late buses will begin August 15 and will be answered from 6 a.m. to 6 p.m. during school days. The Service Line number is 555-2300.

All XYG Transportation buses feature two-way radios and GPS for instant communication and safety. In addition, the contractor will install in each bus video monitors that discourage behavioral problems and tape each day's trips for later review and documentation.

Twenty buses have been added to the 72 buses operated last school session by Unified District and all buses have been recently inspected by the State Highway Patrol as part of a mandatory annual routine.

School begins August 30 for all elementary and secondary students in the Unified School District.

XYG to Serve USD Students

[SAMPLE NEWSLETTER]

XYG Transportation has contracted to provide transportation services for the Unified School District. The School Board voted 5-0 on June 10 to approve a five-year contract with XYG, which will save the district \$1.3 million dollars and add X new buses to the fleet. The transportation company is in its seventh year serving neighboring Doe County schools.

XYG has hired most of the drivers who have served under the district's transportation office, including nine drivers with more than five years of experience. Bus routes will be mailed to students and their families by Aug. 15.

Veteran Drivers Return

The buses will still be the same color, their destinations will be the same and you will see a lot of familiar faces behind the wheel, too.

The Unified School District is making every effort to ensure all drivers will be taken care of by XYG Transportation, which has offered positions to all who want to work for them. XYG Transportation expects a high percentage of drivers will accept employment.

Among those drivers who have served the district for at least five years and will continue serving our students is Mary Brown, who first sat behind a District bus in 1978.

Brown, now a grandmother of four (three of whom attend District schools), began driving when the youngest of her three children entered first grade at the Elementary School. Caleb Brown, now a physical education teacher at Doe, has two school-age children (Brandon and

Mary Louise) who ride their grandmother's bus each school day.

Other veteran drivers include: Esther Delich, Martin Atchison, Juanita Kline, Edgar Boston, Willard Robinson, Kadijah Askew, Mathew Hipsher and Pat Rijos.

Bell Times to Shift

Elementary school bells will ring 15 minutes earlier than in previous years as part of a shift to provide additional time for younger students to walk home before the secondary students are dismissed.

The change will not only provide safer passage for young pedestrians, it will bring a more efficient and coordinated routine to bus routing for the district. Buses carrying both elementary and secondary students will stop first at elementary schools, then proceed to the senior high school. In the afternoons, buses will fill with elementary students first before proceeding to the senior high.

Call Service Line for Information

A new Service Line for comments, suggestions and inquiries regarding routing changes, missed stops or late buses will begin August 15. Service Line will be answered from 6 a.m. to 6 p.m. during school days. The Service Line number is 555-2300.

New, Safer Buses

Twenty new buses will join the 72 buses operated last school session by Unified District. All buses have been recently inspected by the State Highway Patrol as part of a mandatory annual routine.

New this year will be flashing strobe lights atop each bus, an innovation that improves visibility and awareness by other motorists.

In addition, the contractor will install video monitors in each bus that have been shown to discourage behavioral problems. The monitors tape each day's trips for later review and documentation, should there be a disruption on the bus.

Ready, Set, Go!

Parents, have your children ready for the bus each morning by following a few of these simple tips:

- Line up coats, hats, gloves and mittens the night before. Have them by the door, ready.
- Make sure your child is finished with breakfast and ready for the bus a good 10 minutes before the bus is due to arrive. A few minutes of calm-down time will help

them – and you – start off the morning well.

- If the bus stops near your house, turn on your porch light until you see your child on the bus. It's a good way to let your driver know your child plans to ride each morning.

Partnerships Add to Safety Each Day

[SAMPLE COLUMN]

By Janice Smith
Communications Director, XYG Transportation

Juanita Kline and Cheryl Jones had never met before Aug. 30. Now they meet twice daily 10 times a week – for about 30 seconds – at the corner of Drawbridge Road and Hampton Parkway. They both agree these may be the most important meetings they will have each day.

Kline, a school bus driver for XYG Transportation, and Jones, mother of 8-year-old Tommy Jones, rendezvous at 6:50 a.m. to make sure nine Unified School District students make their bus on time, safely and with an extra adult present to help when needed. The intersection where the students board their bus is among the metropolitan area's busiest and most accident-prone. Yet no child has ever been injured at or near the intersection. Kline and Jones plan to keep it that way.

The route audit, new to the Unified School District, is among a host of changes that conversion to outsourced transportation services brought to the bus system. The audit also identifies dangerous crossings, narrow shoulders, ditches, abutments and blind intersections so that drivers can be aware and forewarned.

The parent-driver partnerships are another new innovation introduced by XYG Transportation. The proactive measure takes the hazard audit a step further. More than 30 similar partnerships have formed along a score of routes that XYG drivers cover twice a day.

Route audits, partnerships and other behind-the-scenes efforts help make something as seemingly routine as student transportation remain so safe and uneventful that the community can take it for granted. That's the way we like it at XYG Transportation.

Developing a set of specifications and pre-qualifying potential providers is easier when you know how. Set the standards for what you want to achieve by talking to student transportation contractors before you seek proposals. This chapter is a valuable guideline to help you craft a useful Request For Proposals.

CHAPTER 6:



PROPOSAL DEVELOPMENT

Craft Your Request For Proposals

Before sending out a Request For Proposals (RFP) you must decide which elements are necessary for your district, what you would like to possibly add, and what you feel are required in a contract to create a solid partnership with a contract transportation provider. You will be surprised at what is available once you begin researching.

Talk Before You Write Specifications

How often have you gone to the store with a shopping list of specific items, and once there, found:

- A wider selection than you had anticipated;
- You had questions that the store clerk could help you answer;
- You decided you needed or wanted more - or in some cases, fewer items than were on your original list; and
- You had to take some wanted items from the shopping cart because you didn't have enough money with you.

Even before you establish parameters of a Request For Proposals, include contractors' input so that you will know whether your demands can be satisfied. By talking informally with contractors, you get to shop first and ask contractors questions before you write your Request For Proposals. Contractors can have different approaches to delivering a service element. They can tell you what works, what doesn't, and the common language they use to describe these elements. Contractors have ideas and services that you may not even have considered, or cost-saving ways to eliminate a problem. They also will give you a better idea of costs for elements of outsourcing.

Contractors will tell you whether something you are asking for is possible, or if it comes at a substantial cost that your district must weigh against its needs. For example, if you believe it is necessary for buses to be garaged within district boundaries or you prefer a certain percentage of drivers come from within the district, contractors can quickly tell you what those elements will cost; allowing you to decide whether those stipulations are really necessary.

A flawed Request For Proposals may leave the district with few or no responses, or higher prices than anticipated. Outline broad minimum expectations when creating a set of specifications. Include a screening process for pre-qualification of bidders to narrow the field to those most likely to meet your needs.

Prequalification Simplifies Your Task

Where allowed, pre-qualification of bidders should be established to keep the field of proposals to a manageable number of sincere, qualified and capable vendors. Among elements of prequalification should be:

- Affiliation with or access to comprehensive safety training programs for drivers;
- Demonstration of capital capacity and bondability;
- Previous student transportation experience of key principals;
- Computerized routing resources and experience;
- Comprehensive safety processes;
- Criminal background checks;
- References from current districts served; and
- Recognition or awards from third-party safety agencies.

Require proof of good corporate standing, including a corporate profile as well as demonstrated experience to handle a project of this magnitude. If possible, perform a site visit - particularly when you are down to the short list of contractors.

Write specifications for a Request For Proposals designed specifically for your school district's logistical needs. Outline the decision-making criteria. Don't tighten the pre-qualification phase or RFP so narrowly that legitimate contractors and new ideas are left out of the process. Set out minimum general expectations for critical elements, such as safety, problem-free service, transportation policy, fleet age, etc.

Good Starting Point

In the first chapter, you put together a document listing the elements that made the case to your board. Those elements should be the foundation for hammering out a pre-qualification document and a Request For Proposals. Now you have the balancing act of putting it all together.

Be specific, but leave room for creativity. Fresh ideas that may never have occurred to you are the sort of innovative solutions you are seeking in a professional contract service. However, don't open the doors so wide with generalities that most innovative contractors will be discouraged by vague "wish lists" that fall outside the realm of satisfaction and aren't within your budget. If the new proposal varies vastly from past services, make sure that all parties agree that cost comparisons no longer apply.

Hold a Pre-Bid Conference

After you have developed your Request For Proposals, but before you solicit proposals, hold a scheduled conference with all vendors who intend to respond. At this meeting you will present the specifications to all interested parties and make sure that each vendor has the same information and understands the specifications. Vendors must be provided the opportunity to ask questions so that the district can clarify expectations and details.

Adding Up the Points

Included in the Appendix is a sample Request For Proposals which contains an example of how you might rank vendor responses. If you establish this RFP framework, select a team of three to five judges (a majority who are connected to your district) who will individually assess the proposals based on these points. At the end, the proposal with the highest total points is likely to be your best candidate for contract negotiations.

Create a high quality partnership that will deliver what you need and that will assure performance, safety, and service standards that meet your criteria. Structure your contract in the manner that works best with your district, using insights gained from meeting with various contractors. Work with your selected contractor to create a workable plan and a means to monitor it.

CHAPTER 7:



PERFORMANCE ASSURANCE

Build Your Benchmarks With New Bricks

Developing benchmarks is the key to satisfaction. The successful transportation bidder will meet your standards only when you have established in detail what is expected. Set new standards for performance with the selected contractor and measure performance based on those criteria. This benefits your district in a variety of ways, especially because some of the core standards from the in-house system previously offered was substandard to your expectations. That is why a new protocol with different standards must measure compliance with the contract.

Although you have new benchmarks, ensure you create a detailed performance record of the in-house system to serve as a document to refresh your board's (and your own) memory when you later assess the contractor's performance. It is imperative to compare apples to apples. Although you are measuring the contractor's performance by a new benchmark that includes elements missing from the in-house system, comparison will occur and must be fairly assessed.

The Contractor Is a Partner

Include the contractor in discussions that establish the benchmark for the contract, just as you have done in crafting the Request For Proposals. The contractor will bring new ideas to the process that have proven successful in other districts that have converted. These elements may not have occurred to you as viable options under your current operation. By working together, you provide a foundation for mutual success and will arrive at solutions that satisfy both partners.

Such discussions may cover:

- Bell times;

- Standards for and definition of on-time arrivals and departures;
- Student discipline;
- Safety and comfort;
- Driver training/qualifications; and
- Unforeseen challenges and economic fluctuations such as fuel problems or driver shortages.

Also consider reaching out to stakeholders in the system and include their needs before you set benchmarks for performance. Benchmarks establish new standards for both basic (home-to-school, vocational/technical, special education, etc.) and supplemental (athletic events, field trips and other extracurricular activities) services.

Your school district will continue to maintain control of the transportation operation as well as specific performance expectations. The control elements you eventually will have negotiated include:

- Contract;
- Policies; and
- Report Card.

Included in the Appendix section is a sample contract. Within it are the policies that will help make your partnership a success and measure compliance.

A Report Card Charts Compliance

Holding the contractor accountable for performance will require establishing a report card to monitor compliance with the contract, reviewable at regular intervals during and at the end of the contract period.

An element of that report card should be customer satisfaction as determined through a survey of students, parents and teachers. Include a dispute resolution mechanism in the contract. It provides for successful corrective action following critical reports as well as mutually agreed resolution of individual situations.

Recognize that added services may increase costs but may well be worth it. Few will believe that the district received the best transportation value for its children by accepting the lowest bid without careful examination of contractor experience and contract components.

Continuous evaluation and feedback are crucial to successful management. The partnership works best when the district and contractor each have a solid understanding of all expectations, and the district is provided regular updates on performance. It all comes down to partnership, trust and transparency.

CHAPTER 8:



FULL CIRCLE

Having a List; Checking It Twice

Once the selection, planning and launch of your new transportation services are behind you, it's time to move onto contract and performance management.

Setting and measuring standards for safety have already begun with the contract itself. Elements include driver qualification (including physical examinations, drug screenings and criminal records checks), driver training (including substitutes), routing, fleet roadworthiness, fleet maintenance and fleet safety inspection schedule. But once the contract is signed, you must have a means to monitor and measure compliance, with a report card and schedule agreed upon in advance so that deficiencies can be detected and corrected.

Customer service standards also must be measured using quantifiable criteria. Such elements as on-time frequency, driver responsibility and absenteeism, compliant reports, cleanliness of buses or breakdown of equipment may be included in customer service evaluations.

Remember: Apples to Apples

When you face the inevitable neutral or lukewarm contracting opponents, pull out the document you compiled on the substandard performance of your former in-house services. Point to those comparable improvements and then note the innovations that contract services have delivered. If you haven't already jotted them down, now is the time.

Measuring Innovation

Perhaps more difficult to quantify, but no less important, is setting and measuring standards for innovation, initiatives, and leadership services either created by or enabled through your transportation services.

Has the contractor . . .

- Provided solutions to substantial problems previously undiscovered when the operation was in-house?
- Found ways to extend student transportation services beyond the parameters of the contract?
- Demonstrated an ability to provide comfortable amenities that go beyond clean, safe and punctual bus service?
- Become involved in community education and public relations initiatives?
- Brought ideas to the school administration and/or board that enhance transportation services, even though they are not required in the current contract?

This Tool-Kit is Designed for Convenient Use

These tested suggestions and tools for conversion to outsourcing come from superintendents and contract service providers who have successfully completed the same road you are now traveling. You can use these tools in whatever order best supports your goals.

In Chapter 1, you learned how to list the tangibles to prepare for the board's evaluation of the need to outsource. Included was a review of the strengths and weaknesses of the current system, a list of outsourcing advantages, a list of hidden costs, a cost assessment tool and a quick quiz to demonstrate to the board and others why the district's in-house student transportation services may be falling behind community expectations.

Chapter 2 explained the need to select a champion among your board members, how to go about it and how to evaluate and approach the remaining board members.

Chapter 3 took you beyond the board to the community, explained the best approach to recruiting ambassadors and who among potential allies will be the best candidates. Talking points provided a road map to keep your message clear and on track, no matter who among your widening circle of team members would be carrying the message.

Chapter 4 focused on the importance of driver cooperation and your candor in explaining the decision to outsource that is necessary in bringing forward the conversion. The transportation director's role must also be determined.

Chapter 5 cited the elements of a strong media relations campaign and the need to become proactive early in the process, shaping public opinion and participating in dialogue through the community's newspapers, radio and television stations.

Chapter 6 explained development of a Request For Proposals (RFP), from informal discussions with contractors to crafting specific elements leading up to selection of a transportation partner. You are cautioned to not become trapped into cost comparisons with current in-house student transportation services when many of the elements no longer can be fairly compared. A sample Request For Proposals is included in the Appendix.

Chapter 7 brought together the philosophy of contract services as a partnership with the practical elements of a contract's structure. You learned that the district maintains control through the contract, its policies and a report card to monitor compliance. A sample contract is included in the Appendix.

Chapter 8 reminded you that once you have your contractor in place, the partnership begins. Contractor performance will continue to be monitored - keeping in mind that what you now have in student transportation services should no longer be compared side-by-side with your former in-house services. Innovation is an important new element previously missing. You and your contractor must find a way to measure that innovation.

Excellence Carefully Pursued Is Achieved

You followed a proven process to build a team with your community leaders, your drivers, and your contractor. What may have seemed a broad leap at the beginning of this process has become merely another stride toward your constant goal: providing the best environment for education in your school district. You have gone beyond changing transportation services - although indeed that was the immediate goal.

This process adds value to your district and enhances your skills. Your team members may change over the years, but the team itself remains as a lasting asset.

APPENDIX

SAMPLE RFP

REQUEST FOR PROPOSALS FOR PUPIL TRANSPORTATION SERVICES

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NOTE: This is a SAMPLE RFP and does not represent all state or provincial laws. Your School Board Attorney can assist with ensuring you include all applicable verbiage.

1. OVERVIEW

1.1 INTENT

Unified Public Schools is seeking proposals from qualified organizations to provide transportation services for the district. The subsequent Proposal will detail the Contractor's experience and expertise in providing pupil transportation services to districts of similar size and scope and proposed pricing.

The District is seeking the following:

Base Bid: Contractor provides Transportation bus drivers and bus assistants as described herein for a term of 3 years covering the school years: 2013-2014, 2014-2015 and 2015-2016 with services beginning July 1, 2013.

All Proposers are required at a minimum to submit a base bid.

The final Contract document will be subject to negotiation and the Board will approve execution of a Contract. While the cost aspect of the Contractor Proposal is a significant concern, the Board is equally concerned with the proven ability of the Contractor to satisfactorily perform the Contract so that the services will be provided in accordance with the proposed Contract.

1.2 SUBMISSION DEADLINE AND REQUIREMENTS

The date and time for receipt of Proposals is: See section 1.7

1.2.1 Proposal Envelope: A sealed envelope containing your Proposal must be marked in the lower left hand corner as follows:

SEALED PROPOSAL ENCLOSED PUPIL TRANSPORTATION SERVICES UNIFIED PUBLIC SCHOOLS [Proposer's Name] [Proposer's Address] [Proposer's Telephone Number]

The envelope must also be addressed and delivered as follows: UNIFIED PUBLIC SCHOOLS Attention: Jane Doe, 123 School Blvd, City, ST 01234

1.2.2 Late Proposals: Each Proposer is responsible for submission of its Proposal. Proposals or Proposal revisions received after the date and time specified will not be accepted or considered. Unified Public Schools is not responsible for late, lost, misdirected, damaged, incomplete, illegible, or postage-due mail.

1.2.3 Returned Proposals: All Proposals received after the date and time specified will be returned to the Proposer unopened.

1.2.4 Signed Original Proposal: Each Proposal must be an original and hard copy signed by an authorized member of the Proposer's firm. This member should be the highest-ranking officer at the local level. NO FAX or E-MAILED Proposals will be accepted. Each Proposal must be submitted on the Proposal Forms attached to this RFP.

1.2.5 Copies of Proposal: The Proposer shall also submit with the signed original three (3) complete copies of the Proposal.

1.2.6 Opening of Proposals: At the specified location, date and time stated in Section 1.7, all submitted Proposals shall be publicly opened and dated. Any interested parties may attend. No immediate decision will be rendered.

1.2.7 Mandatory Pre-Proposal Meeting: The Mandatory Pre-Proposal Meeting will be held at the Transportation Conference Room, 123 School Blvd, City, ST 01234 (SEE SECTION 1.7) April 30, 2013 at 10:00 a.m. This meeting is mandatory and all Proposers are required to familiarize themselves with the current operations and to clarify the requirements and specifications. Proposers may only visit Unified Public Schools facilities with permission from the Unified Public Schools Director of Transportation. Failure to familiarize themselves with Unified Public Schools facilities will not be a reason to withdraw or change a Proposer's bid.

1.2.8 E-Mail Clarifications: The Unified Public Schools intends to communicate with Proposers via e-mail (e.g., RFP clarifications and addenda). Except for the Proposal itself, references in this RFP to "written" form of communications include e-mail.

1.2.9 Additional Requests for Clarification: Prospective Proposers may request that the Unified Public Schools clarify information contained in this RFP. All such requests must be made in writing. The Unified Public Schools will provide a written response to all written requests for clarification within five (5) business days after the receipt of such request.

The response to any request for clarification will be provided to all parties that attended the Mandatory Pre-Proposal Meeting.

Deadline for Submission of requests for clarification: May 8, 2013.

Requests for clarification and inquiries may be made via e-mail, facsimile or electronic mail. All requests for clarification or inquiries must be directed as follows:

Jane Doe

Director of Transportation

(123) 456 7890

(123) 456 7890 FAX

E-mail: Jane.Doe@unified.k12.mi.us

1.2.10 Restrictions On Communication: From the issue date of the RFP until a Contractor is selected and selection announced, a prospective Proposer shall not communicate about the subject of the RFP or a Proposer's Proposal with the Unified Public Schools, its Board of Education, or any individual member, administrator, faculty, staff, students, or employees, except for site inspections, or additional Requests for Clarification in accordance with Paragraph 1.2.9 above.

1.2.11 Addenda to the RFP: If it becomes necessary to revise any part of the RFP, notice of the revision will be e-mailed in the form of an addendum to all bidders that attended the Mandatory Pre-Bid Meeting. All addenda shall become a part of the RFP. Each Proposer must in its Proposal, to avoid any miscommunication, acknowledge all addenda which it has received, but the failure of a Proposer to receive, or acknowledge receipt of any addendum shall not relieve the Proposer of the responsibility for complying with the terms thereof.

1.2.12 RFP/Proposal Information Controlling: The Unified Public Schools intends that all Proposers shall have equal access to information relative to the RFP, and that the RFP contains adequate information. No information communicated, either verbally or in writing, to or from a Proposer shall be effective unless confirmed by written communication contained in this RFP, an addendum to this RFP, a Request For Clarification or other written response thereto, or in the Proposal.

1.2.13 Bid Bond/Good Faith Deposit: Each Proposal must be accompanied by a bid bond or certified check in an amount of 5% of the first year's total cost of the Contract, as a guarantee of Proposer's good faith on the part of the Proposer. If a bid bond is posted by a Proposer, it shall be from a surety licensed to do business in the State and the attorney-in-fact who executes the bid bond on behalf of the Proposer shall attach a certified, current copy of its power of attorney. In the event a certified check is submitted, it shall be made payable to "Unified Public Schools." The Unified Public Schools shall not be liable for any interest earned thereon. The good faith deposit shall be forfeited as liquidated damages, and not a penalty, if the Proposer withdraws its Proposal after the due date for submission of Proposals or, upon acceptance of its Proposal by the Unified Public Schools, Proposer fails to execute the form of Contract and provide insurance and bonds acceptable to the Unified Public Schools, substantially evidencing and incorporating this RFP and its Proposal, within fifteen (15) days of an award of a Contract to the Proposer. Good faith deposits shall be returned to all Proposers within a reasonable time after the award of a Contract and execution of a Contract by the successful Contractor.

1.2.14 Finality of Decision: Any decision made by Unified Public Schools, including the Contractor selection, shall be final. Acceptance of a bid, or short-listing a vendor, does not constitute a contract. No contract will be assigned without the express written consent of the Unified School Board but in no case shall such written consent relieve the Proposer from their obligation or change the terms of the contract.

1.2.15 Reservation of Rights: The Unified Public Schools reserves the right, in its sole discretion (for this provision and all other provisions contained in this RFP), to accept or reject, in whole or in part, any or all Proposals with or without cause. The Unified Public Schools further reserves the right to waive any irregularity or informality in the RFP process or any Proposal, and the right to award the Contract to other than the Proposer(s) submitting the best financial Proposal (low bidder). The Unified Public Schools reserves the right to request additional information from any or all Proposers. The Unified Public Schools reserves the right to negotiate with the Proposers concerning their Proposals.

1.2.16 Release of Claims: Each Proposer by submitting its Proposal releases the Unified Public Schools from any and all claims arising out of, and related to, the RFP process and selection of a Contractor.

1.2.17 Proposer Bears Proposal Costs: A recipient of this RFP is responsible for any and all costs incurred by it or others acting on its behalf in preparing or submitting a Proposal, or otherwise responding to this RFP, or any negotiations incidental to its Proposal or this RFP.

1.2.18 Irrevocability of Proposals: All Proposals submitted shall not be withdrawn and shall be irrevocable for a minimum period of sixty (60) calendar days following the date and time for receipt of Proposals set forth above. All bids are deemed final, conclusive and irrevocable and no bid shall be subject to correction or amendment for any error or miscalculation on the part of the Proposer.

1.2.19 Collusive Bidding: The Proposer certifies that their Proposal is made without any previous understanding, agreement or connection with any person, firm or corporation making a Proposal for the same project and is in all respects fair, without outside control, collusion, fraud or otherwise illegal action.

1.2.20 Bidder Understanding of RFP Specifications: Proposers must satisfy themselves, upon examination of this RFP and its specifications, any addenda and other communication from UPS, as to the intent of the RFP's specifications. After submission of a proposal, no complaint or claim that there was any misunderstanding in regards to the RFP is possible.

1.3 UNIFIED PUBLIC SCHOOLS PROFILE AND OVERVIEW

This RFP contemplates and is intended to procure Pupil Transportation Services under the form of contract with (the "Unified Public Schools"). The Unified Public Schools is located in Unified Township, in the County of Monroe. Please refer to the accompanying information and attachments for demographic profiles of the Unified Public Schools and requisite operational information relative to the Unified Public Schools' current Transportation

Services along with contract.

*PLEASE SEE APPENDICES FOR DETAILED INFORMATION FROM THE UNIFIED PUBLIC SCHOOLS EVIDENCING THEIR CURRENT PUPIL TRANSPORTATION SERVICES ATTACHED HERETO.

OVERVIEW OF THE Unified Public Schools (UPS):

UPS serves UNIFIED Township covering 36 square miles.

UPS has:

- 3 elementary schools,
- 1 middle school,
- 1 high school

All data below is a good faith representation but actual numbers may vary slightly.

Students	4779
Students Transported Daily reg ed	2552
JHS/SHS – 2nd tier	1310/1242
Special Ed – Noon kdg	84/43
Vehicular Assets – Buses	50
Routing Software	Edulog
Video Camera System/Verify	15 systems
Mileage Data (2011-12)	
Total Miles	338,731
General Education Miles	231,319
Special Education Miles	107,412
Midday KG Run Miles	63 day
Field Trip Miles	35,120
Number of Route Drivers reg ed/spec ed	27.5/6.5
Substitute Drivers	9
Number of Bus Aides	7
Number of Bus Aide Sub	2-3
Number of Tiers	2
Total Daily Routes	34
Special Education (integrated & independent routes)	6.5
Midday Kindergarten Runs	3
Extracurricular Trips (2012-13)	
Average length Athletic field trips	2.25-4.5 hours
Average length Education field trips	4-5 hours
Transportation for Non-public school students	0 for 2012-13

1.4 OBJECTIVE OF RFP

The objective of this RFP is to offer experienced professional transportation management companies the opportunity to present a thoroughly detailed Proposal of their expertise and qualifications to the Unified Public Schools. The Proposal will detail the Proposer's experience and expertise in assisting Unified Public Schools of similar size and scope as the Unified Public Schools.

This RFP requires that all Proposers present their qualifications and experience in pupil transportation management (please see Proposal Requirements and Proposal Format).

The Unified Public Schools will select the Proposal, if any, that it deems most qualified to serve the best interests of the Unified Public Schools, in its sole discretion.

1.5 PURPOSE

The purpose of this RFP is to establish a contractual relationship with an experienced and qualified pupil transportation management company to provide transportation operational services (excluding fleet maintenance and routing) to the Unified Public Schools in the most efficient and cost-effective manner possible while, at the same time, maintaining the highest level of safety and reliability. The Unified Public Schools may select one experienced and qualified pupil transportation management company to proceed with the negotiation process from those submitting Proposals.

The process will include the review and evaluation of methods and procedures used to provide transportation of students within the scope of this RFP. Past experience will also be judged by the references of each Proposer. Staffing and experience with implementing and operating computerized routing software shall be completed by the present UPS personnel.

A major portion of the negotiations will include the financial terms of the Contract. Proposers should be prepared to make a presentation to a committee of the Unified Public Schools, not to be more than one hour in length (time for questions and answers will be addressed within that one hour time period).

1.6 TERM OF CONTRACT

The term of the Contract shall be for 3 years beginning July 1, 2013, with the Unified Public Schools having the option to renew the Contract after 1 year, in its sole and absolute discretion, on a yearly basis, for up to two (2) additional years.

1.7 SELECTION TIMELINE

The Unified Public Schools' anticipated timeline for its selection process is:

Issuance of this RFP	April 19,2013
Place bid on bid for state website	April 19, 2013
Issuance of this RFP	April 26, 2013
Mandatory Pre-Proposal Meeting	May 2, 2013
Deadline for written requests for clarification	May 8, 2013
Deadline for Proposals /accept bids	May 13, 2013
Interview 2 or more candidates	May 16, 2013
Send information to the Board for consideration	May 17, 2013
Presentation to the UPS Board of Education	May 30, 2013
Suggested implementation of Contract	July 1, 2013

PLEASE NOTE: The Unified Public Schools reserves the right, in its sole discretion, to change any or all portions of the above-identified selection timeline as it determines to be in its best interest.

1.8 SCOPE OF SERVICES

Throughout the Initial Term, and any Renewal Term(s) which is/are exercised, the Contractor shall provide the following pupil transportation services (collectively the "Transportation Services") as more fully described in Section III of this RFP.

1.9 PROPOSAL REQUIREMENTS

This outlines the information that must be provided by the Proposer and the required format for the Proposal. Any Proposal not providing the required information, or not conforming to the format specified, may be disqualified. Please refer also to Sections 1.1 and 1.10 of the RFP for additional Proposal requirements.

1.9.1 Proposals must demonstrate an understanding of the scope of work and the ability to accomplish the tasks set forth herein and must include information that will enable the Unified Public Schools to determine the Proposer's overall qualifications. Each Proposal shall also include any other information that the Proposer feels is significant with respect to the Unified Public Schools making an informed decision relative to the Proposal.

1.9.2 Potential contractors must have at least five (5) years of experience providing school transportation services of similar size and scope. References demonstrating this experience are required.

1.9.3 Proposer will provide an overview of its corporate history and its history of doing

business in the state. Previous state experience is not an absolute requirement.

1.9.4 Proposer will provide an organizational chart of its operational chain of command.

1.9.5 Any exceptions to the terms and conditions contained in this RFP or any other special considerations or conditions requested or required by the Proposer MUST be specifically enumerated by the Proposer and be submitted as part of its Proposal, together with an explanation as to the reason such terms and conditions cannot be met. Each Proposer shall be required and expected to meet the RFP requirements in their entirety, except to the extent exceptions are expressly noted in its Proposal. All Pricing factors must be clearly indicated in the Proposer's Proposal Forms provided as part of its Proposal.

1.9.6 Each Proposer shall submit its Proposal for a three year term beginning July 1, 2013. Each Proposal shall include a transition plan/implementation schedule. Each Proposal must be submitted on the Proposal Forms distributed at the Mandatory Pre-Proposal Meeting.

1.9.7 The Contract contains many details relative to the Transportation Services of the Unified Public Schools, the terms and conditions under which the transportation operational services shall be provided by the Contractor, and should be reviewed carefully by each Proposer prior to submitting a Proposal.

1.9.8 Any exceptions to the terms and conditions contained in the Contract, or any other special considerations or conditions requested or required by the Proposer relative to the Contract shall be enumerated by the Proposer and be submitted as part of its Proposal, together with an explanation as to the reason such terms and conditions cannot be met or other special conditions or considerations.

1.10 PROPOSAL FORMAT

Required Response Forms will be distributed at the Mandatory Pre-Proposal Meeting, and will be available in a Microsoft Excel document. Additionally, there are several schedules Proposers must include with their proposal. Note: Schedules are documents that must be included, but templates are not contained within the Microsoft Excel document. All forms and schedules must be completed and submitted for your Proposal to be considered.

1.10.1 Proposers must provide information which will serve as an introduction of your company on business letterhead. This cover letter must indicate Proposer's agreement to be bound with the terms and conditions of this RFP, and the Contract.

1.10.2 Proposers shall meet all regulatory laws, codes, and requirements of Local, State, and Federal law that apply to Unified Public Schools and transportation services, including, but not limited to, the State Revised School Code (MCL 380.1 et seq.) and the Pupil Transportation Act (MCL 257.1801 et seq.). The Proposer shall agree not to discriminate

against any worker or employee or applicant because of race, creed, color or national origin nor otherwise commit any unfair labor practice.

1.10.3 Exceptions, including explanations, to the RFP, the Contract.

1.10.4 References – Proposers must provide K-12 Public school references, including contact name, address, phone number, fleet size, and scope of services.

1.10.5 Proposers must complete and submit a Familial Disclosure Affidavit.

1.10.6 Proposers must complete and submit a Non-Collusion Affidavit.

1.10.7 Proposers must complete and submit a School Safety Legislation document.

1.10.8 Proposers must provide background and qualifications of the personnel who will be involved with the Unified Public Schools. Describe the chain of command and reporting relationships. Include a proposed organizational chart. This chart must reference where a Unified Public Schools liaison would be placed.

1.10.9 Proposers must provide detailed evidence that they are currently providing pupil transportation management services for other K-12 school districts. This should include school districts of similar size and scope as the Unified Public Schools.

1.10.10 Describe any other similar public K-12 school districts in which your company has contracted to provide pupil transportation management services.

1.10.11 Proposers must fully describe, and provide evidence and scope of, their formalized in-service training and educational programs for all drivers and bus aides. (Reference as Schedule 7)

1.10.12 Proposers must provide a Bid Bond in the amount equal to 5% of the 1st year total amount of the Contract.

1.10.13 The Proposer shall provide a proof of worker's compensation and certificate of insurance from an A.M. best rating insurance company naming Unified Public Schools as additional insured for the policies of Auto and General Liability insurance. The certificate(s) of insurance shall be provided annually on or before expiration of the previous policy with insurance coverage as follows:

- General Liability - \$1,000,000 per Occurrence/\$2,000,000 Aggregate - Occurrence Form.
- Employment Practice Liability to include 3rd party - \$1,000,000 Occurrence

limit/\$3,000,000 Aggregate.

- Workers Compensation - Employers Liability Limits \$1,000,000 Each Accident/ \$1,000,000 Disease-Policy Limit/ \$1,000,000 Disease-Each Employee and an Alternate Employer Liability Endorsement.
- Umbrella Liability - Minimum \$5,000,000 Each Occurrence/Aggregate.

1.10.14 Proposers shall provide documentation of sufficient financial resources to provide management services for a school district of this size and complexity.

1.10.15 Proposer must describe any other resources to be provided by your company, not listed above, which would result in a safe and efficient pupil transportation system.

1.10.16 List all litigation or regulatory proceedings, for the past five years, within the State, or if more than 85% of the Proposer's pupil transportation contracts are performed outside the state, the state(s) where 85% or more of the Proposer's pupil transportation contracts are performed. These litigation and regulatory proceedings are to be limited to contract disputes and negligence actions for: (i) school districts in which the Proposer has been a party providing any type of pupil transportation services; (ii) non-compliance of the Proposer's services or the Proposer's employment practices with the Occupational Safety and Health Act and other applicable state and federal requirements; or (iii) any suits whereby an employee of the Proposer was found to have mistreated pupils in any manner. Therefore, it is contemplated under this RFP that workers' compensation and unemployment proceedings are not to be deemed part of this requirement.

1.10.17 Proposers must include with their Proposal an audited financial report for the three (3) most recent fiscal years.

1.10.18 Proposers must include a schedule indicating the wages and benefits to be offered to the employees of Contractor that are assigned to Unified Public Schools.

1.10.19 Proposers must provide a detailed action plan to transition from Unified Public Schools operated to the contractor operated service beginning July 1, 2013.

1.10.20 The Proposer will also provide a staff continuity plan showing expected turnover rates for staff and how the Contractor will address the need to prevent excessive turnover of staff. The Contractor will also show how it will address absences in the event an employee is not available. Successful vendor may interview present staff.

1.11 PROOF OF QUALIFICATIONS

The Unified Public Schools will ensure compliance with the above by checking references

listed in the Proposals, and conducting on-site visitation as deemed necessary by the Unified Public Schools, as well as other sources.

1.12 HOLD HARMLESS/INDEMNIFICATION

The Proposer shall indemnify and hold harmless the Unified Public Schools, or any employee, director, or agent of the Unified Public Schools district, from and against all claims, damages, losses, and expenses (including attorneys' fees and court costs incurred to defend litigation), decrees or judgments whatsoever arising from any and all injuries, including death or damages to or destruction of property, resulting from the Proposer's acts, or omissions, willful misconduct, or breach of the Unified Public Schools' obligations under the agreement.

1.13 EMPLOYEES

It must be understood that this RFP provides for the selection of a professional company to provide pupil transportation management services, including any applicable extracurricular activity and field trip transportation, for all regular education and special education students within the Unified Public Schools. The Unified Public Schools will maintain a liaison to facilitate administration of the Contract and communication between the Contractor and the Unified Public Schools.

Moreover, each Proposer shall understand that the mechanical support staff of the Unified Public Schools works under an organized labor union agreement.

1.14 COMPANY'S RESPONSIBILITY

All experienced and qualified Proposers are requested to submit a Proposal based on its experience and capabilities. The Unified Public Schools will select the Proposer(s), if any, deemed to serve the best interests of Unified Public Schools to proceed with the negotiation process. The Unified Public Schools, in its sole discretion, reserves the right to request post-Proposal interviews from all, some or none of the Proposers.

1.15 ORAL INTERVIEW

The Unified Public Schools may require qualified Proposers to participate in an oral interview and negotiation process to discuss their Proposal and to answer any questions the Unified Public Schools may have regarding the RFP and Proposer's Proposal. In that case, the Unified Public Schools will notify the Proposer's contact as listed in its Proposal. In accordance with the RFP selection timeline, interviews will be scheduled during the week of (SEE SECTION 1.7).

1.16 EVALUATION OF PROPOSALS

Each Proposer submitting a Proposal should understand that the nature of the Unified Public School's pupil transportation operation is so complex that each and every facet of the operation may not be detailed in this RFP. The Proposer must document their expertise,

experience, and approach based on their understanding of Unified Public School's requirements. The Mandatory Pre-Proposal Meeting will give the Proposer an opportunity to ask the necessary questions regarding this RFP and the current pupil transportation operation. The Proposal must be complete, clear, and concise. The following categories, not listed by rank, are the principal criteria by which Proposals will be evaluated:

- Management Capability as shown by detailed evidence of Proposer's expertise, experiences, and references;
- Business Stability checked through various sources as well as the Proposal. Cost as indicated in the Proposal and through the negotiation process;
- Quality Track Record; and
- Safety Track Record.

The Unified Public Schools will evaluate the Proposals, based on the above criteria as well as other methods that include evaluation of references and review of publicly available information.

The Unified Public Schools will select the Proposer that it deems most qualified to serve the interests of the Unified Public Schools to continue to the negotiation process.

2.0 UNIFIED PUBLIC SCHOOLS OPERATIONAL INFORMATION

This information is provided to assist the Proposer in evaluating the Unified Public Schools and submitting a Proposal, and should neither supplant the terms and conditions of the Contract (as described in Section 3.1 below) nor a careful review of the Contract by the Proposer. In addition to the information contained in this document, the following Appendices will be distributed at the Mandatory Pre-Proposal Meeting or at the time RFP is sent out:

- A. District Information
- B. Board Policies and Procedures, Student/Parent Handbook, Transportation Handbook
- C. Financial Information
- D. Routing Information and Field Trip Summary
- E. Personnel Information
- F. Vehicles
- G. Contract Template
- H. Bidder Response Forms
- I. Bidder Response Form

2.1 GENERAL OPERATING INFORMATION

The Unified Public Schools covers approximately 36 square miles and is located in Doe County, State. As set forth in Section 1.2 above, the Unified Public Schools provides Daily Transportation Services for approximately 2552 students to and from school, operating 34

routes over 1811 miles daily in total. Additionally, the Unified Public Schools operates 3 midday runs, general education and special needs students. The Unified Public Schools operates various special education transportation routes. The Unified Public Schools also currently provides transportation for various educational and athletic field trips as requested by the individual school buildings of the Unified Public Schools. The Unified Public Schools operates its transportation services in accordance with all applicable federal, state and local laws, rules, regulations and ordinances, as well as the Unified Public School Board of Education Policy and Procedures, which policies and procedures are attached as Appendix B.

To conform to the state's instructional requirements, the Unified Public Schools has approximately 187 required student attendance days per year.

2.2 ROUTES – will be maintained by the Proposer.

2.2.1 General Education Daily Routing: The Unified Public Schools operates 27.5 daily transportation routes for regular education students. These routes are operated approximately 187 days per year. See Appendix D for detailed routing information.

2.2.2 Special Education Daily Routing: Special Education Routes are operated both independently as well as integrated into routes that can include General Education and shuttle services. The Unified Public Schools operates a total of 6.5 daily transportation routes for special education students. The special education routes are generally operated approximately 187 days per year; however there is a summer special education route(s). For the 2011-12 school year, there was 1 special ed summer route with one (1) driver and one (1) aide for 20 days. See Appendix D for detailed routing information.

2.2.3 Midday Kindergarten: The Unified Public Schools operates 3 midday kindergarten routes.

2.2.4 Educational/Athletic Routes: The Unified Public Schools provides transportation for its various school buildings, student organizations and athletic teams to and from various events, field trips and athletic contests throughout the year. During the 2011-12 school year, the Unified Public Schools operated 686 field trips for an approximate total of 35,120 miles/year.

2.2.5 The Unified Public Schools does NOT participate in cooperative bus transportation.

2.3 UNIFIED PUBLIC SCHOOLS TRANSPORTATION PERSONNEL

The UNIFIED Public Schools employs various management, clerical, bus driver (including bus aides) and maintenance personnel necessary for the provision of its transportation operations. This personnel information is provided for the purposes of detailing the Unified Public Schools' current operations. These are not requirements as to how the Contractor

must operate.

2.3.1 Management Personnel: The Unified Public Schools presently employs one (1) Transportation Director who approves the overall leadership for the department and district management of the driver team and supports the identification and resolution of operational and staffing issues. There is a head mechanic who oversees the servicing of the fleet, fuel procurement, bus specifications, and vehicle purchasing as well as the parts inventory. There are also two (2) secretaries who oversee the design and operation of the Unified Public Schools' bus routes, who manages the timekeeping system, coordinates payroll, and supports overall efficiency of the department. Both of these employees cover the 11 hour work day. They also deal with the daily requests for routing or service changes, and overall maintenance of the routing system. They also help develop the driver schedule. Both secretaries work under a labor agreement.

The Unified Public Schools employs 35 drivers overall. The Unified Public Schools also has 9 substitute bus drivers.

There are 7 bus aides supporting the UPS transportation service. The Unified Public Schools has 3 substitute bus aides. This number will vary based on the special needs and IEP requirements from the Unified Public Schools that students might have.

2.3.2 Mechanic Personnel: The Unified Public Schools employs a total of 3 mechanics and 1 mechanic helper to service the Unified Public Schools' transportation fleet. They cover the hours between 5:30 a.m. and 5:00 p.m. Three regular mechanics are employed under a labor agreement; the helper is not.

2.4 UNIFIED PUBLIC SCHOOLS TRANSPORTATION FLEET – the current fleet will be owned and managed by the District.

2.4.1 Buses: The Unified Public Schools maintains and operates 50 buses. The Unified Public Schools owns all of the current buses. It is the intent of this RFP that the Unified Public Schools will retain ownership of all buses used to provide the Transportation Services. The Unified Public School's bus fleet ranges in age from seven (7) to eighteen (18) years. Unified Public Schools will provide detailed information on each bus, including: 1) bus number; 2) year bus manufactured; 3) body make and chassis make; 4) vehicle identification number ("VIN"); 5) current mileage; and 6) seating capacity.

2.4.2 Bus Specifications and Equipment: All buses currently used by the Unified Public Schools to provide its transportation services are operated, equipped and maintained in strict compliance with all applicable federal, state and local laws, rules, and regulations, including, but not limited to, the State Pupil Transportation Act, as well as all Unified Public Schools Board of Education and Transportation Department policies, procedures, rules and

regulations.

2.4.2.1 Radio Communication Equipment: All buses in the Unified Public Schools' fleet are equipped with two-way radio communication equipment. The successful Proposer may utilize the radio communication equipment currently installed in Unified Public Schools buses, as well as spare equipment and the base station(s) for its on-site management personnel, at no cost.

2.4.2.2 Video Surveillance System: Currently 15 vehicles operate with a camera system.

2.4.3 Fuel: The Unified Public Schools maintains 1 – 4,000 gallon and 1 – 6,000 gallon double-walled steel underground diesel fuel storage tank. These tanks meet all State Department of Environmental Quality (“MDEQ”) guidelines.

2.5 TRANSPORTATION FACILITY – For information only as the facility will be managed by the Unified Public Schools.

2.5.1 General Facility Information: The Unified Public Schools owns and operates a transportation facility located at Road, City, ST 01234 (the “Facility”). The Facility includes a 4 bay transportation maintenance garage, bus parking area, and space for an office and driver’s lounge. The Unified Public Schools will allow the successful Proposer to operate within the Facility for \$1.00 per year in order to provide the transportation operational services contemplated hereunder.

2.5.2 Facility Amenities and Equipment: The Facility contains the following large tools and equipment: 2 air compressors, manual engine hoist, a transmission jack, a cut-off saw, and waste oil tanks. The Facility office has the following office equipment which would be available to the successful Proposer: facsimile machine, desktop computers, printers and copiers. Contractor will have access to the Unified Public School phone system and be charged the associated costs.

3.0 CONTRACTUAL OBLIGATIONS

3.1 FORM OF CONTRACT

3.1.1 Form of Contract: This is a Request for Proposals only. Proposals will be treated as offers to enter into the Contract with the Unified Public Schools. The Unified Public Schools and successful Proposer shall memorialize their contractual relationship and obligations using the form of Contract provided at the Mandatory Pre-Proposal Meeting. The Contract contains many details relative to the transportation operations of the Unified Public Schools, as well as the terms and conditions under which the transportation operational services shall be provided by the successful Proposer. The Contract should be reviewed carefully by

each Proposer prior to submitting a Proposal. Any exceptions to the terms and conditions contained in the Contract, or any other special considerations or conditions requested or required by the Proposer relative to this RFP or the Contract shall be enumerated in writing by the Proposer and be submitted as part of its Proposal, together with an explanation as to the reason such terms and conditions cannot be met. Following the selection of the successful Proposer by the Unified Public Schools, the Contract will be finalized by the parties. The final Contract shall be subject to the review and approval by the Unified Public Schools' legal counsel. The below sections contain information relative to selected provisions of the Contract and/or the expectations of the Unified Public Schools relative to the provision of the transportation operational services. This information is provided to assist the Proposer in evaluating the Unified Public Schools and submitting a Proposal, and should neither supplant the terms and conditions of the Contract nor a careful review of the Contract by the Proposer.

The Unified Public Schools will be responsible for all capital outlay costs and structural maintenance associated with the Facility. The Unified Public School shall be responsible for snow plowing at the Facility. The Unified Public Schools will also be responsible for janitorial services at the Facility.

The Unified Public Schools will allow the successful Proposer to utilize the fueling station located at the Facility. The cost of maintaining the fuel station and the cost of the fuel will be borne by the Unified Public Schools, except for neglect or misuse by the successful Proposer or its employees or agents. The successful Proposer would then be responsible for any environmental contamination.

3.2 CONTRACT CHARACTERISTICS

3.2.1 Contract Start-Up and Term: The Contract shall commence as of July 1, 2013, and the initial term of the Contract shall be for three years. The Unified Public Schools shall have the option, in its sole and absolute discretion, to renew the Contract by up to two (2) additional years on a year-to-year basis, subject to the written approval of the Unified Public Schools' Board of Education.

3.2.2 Performance Bond and Insurance Certificates: Within fourteen (14) days after receiving formal notification that the Contractor was awarded the Contract, the Contractor shall furnish the following to the Unified Public Schools:

3.2.2.1 Performance Bond: A Performance Bond in the full amount of the first year's total cost of the Contract, by a qualified surety naming the Unified Public Schools as an Obliger, to ensure faithful performance of all provisions of the Contract. The Surety Company shall be authorized to do business in the state and must be approved by the Unified Public Schools. All sureties providing bonds must be listed in the Department of Treasury's Circular

570, entitled “Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies” with the bond amounts less than or equal to the underwriting limitation indicated in the Circular, and/or must have an A.M. Best rating of A - or better. Bonds shall be duly executed by the Contractor, as principal, and by a surety that is licensed in the state. If, at any time, after acceptance of the Contractor’s bond, the surety fails to meet the criteria stated in this Paragraph, the Contractor must, as a precondition to continuing any services and receiving further payments, replace the bonds with bonds from a surety that meets the stated criteria. New Performance Bonds must be submitted annually to the Unified Public Schools unless the Unified Public Schools, in writing to the Contractor, opts to waive this requirement. However, in the event that the Unified Public Schools deems the Contractor a limited risk, the Unified Public Schools may, in its sole and uncontrolled discretion, agree to not require the Contractor to provide the Performance Bond required hereunder. In that event, the Unified Public Schools shall receive a credit in each year where such bond is not required in the amount of the cost of said Performance Bond. The Proposer shall indicate in their Proposal the annual credit which the Unified Public Schools would be entitled if the Unified Public Schools chooses, in its sole discretion, to waive the requirement of a Performance Bond. The decision to require the Performance Bond rests in the sole discretion of the Unified Public Schools.

3.2.2.2 Insurance Certificates: The Contractor must provide within the 14-day period an Insurance Certificate evidencing all insurance coverage required as specified.

3.2.2.3 Failure to Furnish Bonds and Insurance: If the Contractor refuses or fails to submit the Performance Bond and/or Insurance Certificates within the 14-day period, the Unified Public Schools will consider the Contractor to have abandoned all rights and interests in the Contract award. Consequently, the Bid Bond may be declared forfeited to the Unified Public Schools as liquidated damages, and the services may be awarded to another Contractor who submitted a Proposal in response to this RFP.

3.3 SCOPE OF SERVICES / REQUIREMENTS – Transportation Operational Services

Services: The Contractor shall perform all of the services described below and make any arrangements that may not be described but that are necessary to perform such services.

3.3.1 Daily Transportation Operational Services: The Contractor shall provide safe, efficient and reliable, on-time transportation from home to school and school to home for general education, special needs students or those other persons eligible or authorized for transportation operational service (collectively the “Students”) on a daily basis in accordance with the Unified Public Schools’ defined parameters and the terms and conditions of the Contract. The Contractor shall also provide safe, efficient and reliable, on-time midday kindergarten, for Students in accordance with the Unified Public Schools’ defined parameters and the terms and conditions of this Contract (the transportation to and from school and midday kindergarten shall collectively be referred to as the “Daily Transportation Services”).

The Unified Public Schools shall only employ licensed school buses to transport Students.

3.3.2 Other Transportation Operational Services: The Contractor shall provide safe, efficient and reliable, on-time transportation for Students and authorized Unified Public Schools personnel to and from the Unified Public Schools, including, but not limited to, field trips, extracurricular trips and athletic events, in accordance with the terms and conditions of this Contract (the “Other Transportation Services”). Notwithstanding the foregoing, or anything herein contained to the contrary, the District reserves the right to lease other buses or vehicles from other approved providers to transport Students to and from field trips, athletic events and/or other special events. The Unified Public Schools shall only employ licensed school buses to transport Students.

3.3.3 Shuttle Service: Shuttle Service shall include transportation of Students between buildings during school operating hours, as requested by the Unified Public Schools.

3.3.4 Bus and Vehicle Maintenance Services: It is the intent that maintenance service will be provided by the Unified Public Schools.

3.3.4.1 Bus and Vehicle Maintenance: The Unified Public Schools shall maintain all District-owned buses serving the Unified Public Schools in a good and safe mechanical and operating condition that conforms to the State Police Bus Inspection. All such buses shall be maintained in a clean and sanitary condition and shall have good interior and exterior appearance during the entire term of the Contract.

3.3.4.2 The Unified Public Schools shall maintain all buses in strict accordance with current Unified Public Schools maintenance schedules that complies with all state, federal, and any other local government minimum standards for school buses, including but not limited to, the Pupil Transportation Act, State Public Act 187 of 1990, as amended, MCL 257.1801 et seq. (the “Pupil Transportation Act”), and such additional requirements as set forth herein within the Contract. Mechanically, the buses shall be maintained in a condition approximating that set out by the original manufacturer. The Unified Public Schools shall only use “OEM Approved” replacement parts on District-owned buses. The Unified Public Schools shall be responsible for all costs and expenses associated with the maintenance of all District-owned buses serving the Unified Public Schools.

3.3.4.3 Additional Vehicle Maintenance: The Unified Public Schools shall maintain all other District-owned vehicles (referred to herein as the District’s “White Fleet”) in a good and safe mechanical and operating condition. Mechanically, the White Fleet shall be maintained in a condition approximating that set out by the original manufacturer(s).

3.3.5 Cost of Maintenance: The Unified Public Schools shall be responsible for all costs and expenses associated with the maintenance of all District-owned buses serving the Unified

Public Schools. All costs for labor and parts required for the maintenance and repair of the White Fleet will be paid for by the Unified Public Schools.

3.3.6 Routing: Throughout the Initial Term, and any Renewal Term(s) which is/are exercised, the Unified Public Schools shall provide for efficient routing of all general education, special needs or other transportation of the Unified Public Schools.

3.3.7 Personnel: Throughout the Initial Term, and any Renewal Term(s) which is/are exercised, the Contractor shall select, train, and compensate all bus drivers/bus assistants personnel necessary for the provision of the Transportation Operational Services as more fully set forth herein.

3.3.8 Student Discipline: Throughout the Initial Term, and any Renewal Term(s) which is/are exercised, the Contractor shall cooperate with the Unified Public Schools regarding any Student discipline arising out of the Transportation Services, as requested and as mandated by Unified Public Schools' policies, procedures and guidelines, as those may be amended from time to time by the Unified Public Schools Board of Education. The Contractor shall comply with all applicable Family Educational Rights and Privacy Act ("FERPA").

3.3.9 Communication: Throughout the Initial Term, and any Renewal Term(s) which is/are exercised, the Contractor shall provide effective communication with the Unified Public Schools, including, but not limited to, all Contractor personnel, parents, students and the community.

3.4 SCOPE OF SERVICES / REQUIREMENTS – Buses

3.4.1 District-Owned Buses: The Contractor will utilize the District-owned buses currently in service and identified by the Unified Public Schools to provide the Transportation Services. Title to District-owned buses shall remain with the Unified Public Schools. The Contractor shall use District-owned buses only to provide the Transportation Services, unless otherwise provided for by law. The Unified Public Schools shall provide prior to the commencement of the Initial Term, the model, year, body type and odometer reading of each District-owned bus that will be made available for use by the Contractor for the Transportation Services.

3.4.2 Bus Specifications and Equipment: All buses used to provide the Transportation Services shall be operated, equipped and maintained in strict compliance with all applicable federal, state and local laws, rules and regulations, including but not limited to the Pupil Transportation Act, as well as all Unified Public Schools Board of Education policies, procedures, rules and regulations.

3.4.3 Radio Communication System: All District-owned buses shall be equipped with a two-way radio or other communication system. To ensure that the radios are in good operating

condition at all times, the Unified Public Schools shall maintain all radio communication equipment in good working order. The Unified Public Schools shall maintain the entire radio communications system at its sole cost and expense and shall document the existence of a maintenance schedule. The Unified Public Schools may upgrade the radio communication system for the buses if it so desires. All radio communication equipment shall be used exclusively for Transportation Services operated for the Unified Public Schools. The Contractor shall instruct all bus drivers and other appropriate personnel regarding the use and operation of the radio communication equipment in accordance with all applicable laws, rules, policies and procedures, including but not limited to those of the Federal Aviation Administration (the “FAA”) and the Unified Public Schools.

3.4.4 Bus Inspections: All buses shall be inspected by Contractor on a daily basis for defects (mandatory federal and/or state pre-trip inspections) and Contractor shall cause to be remedied any defects before using said buses. The Unified Public Schools shall verify to the Contractor in writing prior to the commencement of the Initial Term of this Contract that all buses used for the provision of the Transportation Services have been inspected by the MSP and have passed that inspection. Neither the Unified Public Schools nor the Contractor shall operate nor permit to be operated any bus which has not been inspected by the MSP or has failed inspection.

3.4.5 Spare Buses: The Unified Public Schools will provide and shall keep and maintain, in strict accordance with all applicable laws, a quantity of spare buses equal to an amount collaboratively deemed to be necessary to perform the Transportation Services in accordance with the terms and conditions of the Contract.

3.4.6 If there is a need to purchase new buses; title to said new buses will be maintained by the Proposer.

3.4.7 Fuel: The Unified Public Schools agrees to purchase and/or pay actual fuel costs associated with the Transportation Services provided under this Contract. The Contractor shall ensure that no fuel purchased or paid for by the Unified Public Schools is used by the Contractor for any other purpose.

3.5 CONTRACTOR PERSONNEL

The Unified Public Schools shall provide all personnel necessary for the provision of the Transportation Operational Services. The Unified Public Schools may review all pre-employment and other records regarding any prospective or actual employee of the Contractor assigned to work under this Contract. The Unified Public Schools may also request orally or in writing the removal of any prospective or actual employee or agent of the Contractor from working under this Contract. The Contractor shall comply with any such request.

3.5.1 Management Personnel: The Unified Public Schools shall provide throughout the Initial Term and any Renewal Term(s) of this Contract: A Transportation Director and a sufficient supervisory team.

3.5.2 Bus Driver Personnel: The Contractor shall provide throughout the Initial Term and any Renewal Term(s) of this Contract, all necessary drivers and bus aides, as required by the Unified Public Schools, to perform the Transportation Services contemplated herein. The Contractor shall comply with Equal Employment Opportunity and Affirmative Action requirements as stipulated in Executive Order 11246 and Executive Order 11375 and all subsequent amendments thereto and superseding orders.

3.5.3 Transportation Clerical: The Unified Public Schools shall provide the clerical coverage of the Transportation office to oversee the design and operation of the district's bus routes, and to manage the timekeeping system, coordinate payroll and support overall efficiency of the department.

3.5.4 District's Philosophy: It is the Unified Public Schools' intent to provide high-quality transportation services and to ensure the safety and comfort of the Unified Public Schools' pupils. The Contractor hereby recognizes and agrees to uphold the following standards for its drivers/aides.

3.5.4.1 For the protection of pupils, the drivers and bus aides who have contact with pupils and their families must be of stable personality, good moral character, and shall meet or exceed all certifications and requirements mandated by all applicable federal, state and local laws, rules and regulations.

3.5.4.2 The Contractor shall neither allow any person to drive a school bus if that person's conduct might in any way expose Students to any impropriety of word or conduct, nor shall the Contractor allow any person to drive a school bus who is not, at any time, in a condition of mental and emotional stability.

3.5.4.3 The use of tobacco and the possession or use by any person of alcohol, controlled substances, illegal drugs, firearms, knives, or other weapons are prohibited on school buses, or Unified Public Schools property.

3.5.5.4 All drivers and bus aides shall comply with Unified Public Schools policies concerning student management and discipline, including, but not limited to, non-discrimination and corporal punishment of Students.

3.5.5.5 All Contractor employees operating under this contract will strictly adhere to all cell phone, PDA and mobile device policies, rules, regulations, statues and laws whether they come from UPS, local, county or state regulatory bodies.

3.5.6 Pre-Employment Screening: The Contractor shall provide the Pre-Employment Screening Services as detailed in the Contract.

3.6 ROUTING

The Unified Public Schools shall provide efficient routing of all general education, special education and other transportation needs, including, but not limited to, extracurricular routes and field trips, as outlined in the Contract.

3.6.1 Establishment of Routes: The Unified Public Schools is to establish the most advantageous routing plan for the safety of Students within the guidelines provided for in this Contract and the Unified Public Schools Board of Education and other relevant policies. The Contractor shall pick-up and deliver students identified by the Unified Public Schools at any location and at times approved by the Unified Public Schools and transport them to the classes/facilities on a schedule set by the Unified Public Schools.

The Walk Zone is posted in the 2012-13 News and Views start up paper.

Unified Public Schools practice mandates that the maximum recommended ride time not exceed one (1) hour for general education Students and one (1) hour for in-District special education Students, each way. Notwithstanding the foregoing, any necessary out-of-District transportation may exceed these time limits. The Contractor shall transport designated Students to such locations, arriving at times approved by the Unified Public Schools and return them to their stops, using routes recommended by Contractor. All Student pick-ups are specified by Unified Public Schools policies.

The Unified Public Schools will provide their routing plan no later than three (3) weeks before the first day of school each year. If a route needs to be modified during the school year, the Unified Public Schools shall modify the route(s) either by addition/deletion or modification.

3.6.2 Other Transportation Service Routes/Scheduling: The Unified Public Schools shall attempt to give the Contractor two (2) days prior notice, whenever possible, of any scheduled Other Transportation Services, including, but not limited to, field trip, extracurricular or athletic route, identifying the destination and the number of buses required. The Unified Public Schools may cancel any scheduled Other Transportation Services upon notice to the Contractor.

3.6.3 Notification to Students: After approval of the recommended routing plan, the Unified Public Schools shall notify Students through the use of the Unified Public Schools' News and Views prior to the start of each school year of the applicable pick-up times and locations.

3.6.4 Complaints: The Unified Public Schools agrees to promptly, courteously and continuously address any and all complaints or concerns brought to its attention by

guardians, family members, Unified Public Schools staff, or other parties representing the interests of any Students. The Unified Public Schools shall maintain a log of all complaints and submit a summary of all complaints and concerns brought to its attention by guardians, family members, Unified Public Schools staff, or other parties representing the interests of any Students, along with a summary of the resolution of such complaint or concern, on a monthly basis to the Contractor.

3.6.5 Routing System/Software: Edulog is the current routing software and will be utilized for the term of this contract. The Unified Public Schools shall maintain the current student database contained in the computer routing system. The Unified Public Schools must be able to support the optimization of routes and analyze route simulations and generate alternatives for planning purposes. The Unified Public Schools shall be responsible for any software upgrades to, and licensing fees for, this system, if required.

3.6.6 Miscellaneous Routing Issues: No persons other than Students, Contractor employees, Unified Public Schools authorized personnel or employees, or drivers in training, are to ride the buses without the written approval of the Unified Public Schools' Superintendent or his/her designee. No bus will be loaded with Students such as to transport more than 100% of the number of Students for which the bus has a rated seating capacity and per routing guidelines. Exceptions require the approval of the Director of Transportation.

3.6.7 Mechanical Breakdowns: In the event of a mechanical failure or breakdown of any bus providing Transportation Services required hereunder, the Unified Public Schools agrees that a spare bus shall be made available to the driver to respond to the site of the breakdown, as quickly as possible, for transfer of Students for delivery to their destination in accordance with this Contract. The Unified Public Schools shall also provide roadside assistance and service calls for all buses.

3.7 TRANSPORTATION MAINTENANCE FACILITY

The operation of the transportation maintenance facility, including any and all utilities supplied to the facility, shall be the responsibility of Unified Public Schools. It is intended that the bus garage facility will be maintained by the Unified Public Schools to provide all maintenance for the fleet, as well as general fleet storage. The Unified Public Schools shall be responsible for all maintenance, grounds, operating costs, utilities, and non-capital expenditures reasonably required by any such facility. The Unified Public Schools will be responsible for capital expenditures.

3.8 OTHER SERVICES

The Unified Public Schools shall provide continuous analysis of the transportation operations of the Unified Public Schools in order to effectively manage costs, while maintaining service levels in accordance with Unified Public Schools policy and safety protocol. The Unified Public Schools shall identify and implement operational efficiencies that will lead to cost

reductions in the Unified Public Schools' Transportation Services.

4 PRICING QUOTES

4.1 COST INDEXING

Compensation for the Transportation Services described in this RFP must be fixed for the Initial Term (3 Years) of the Contract beginning July 1, 2013. Moreover, the Contractor, by submitting its Proposal, agrees to convene semi-annually with representatives of the Unified Public Schools, for the purpose of evaluating the efficiency of the performance of the Contract, so that further efficiencies may be uncovered and implemented into the Contract, including but not limited to, a decrease in the number of routes, level of service, change in route length, or in the number of bus drivers or other employees necessary to carry out the provisions of the Contract as contemplated herein. As part of this process, and by submitting their Proposal, the Contractor agrees to pass along any savings to the Unified Public Schools.

4.2 PRICING

4.2.1 Daily Transportation Pricing: The Unified Public Schools is seeking, and Proposal shall include, costs and pricing quotes which will maintain the Unified Public Schools' regular education and special education existing Daily Transportation Services. All regular and special education daily routing (including midday kindergarten routes) shall be quoted on a cost/route/day basis. The Contract amount shall be adjusted based on the per route cost for any increase or decrease in routes, service level or route length.

4.2.2 Other Transportation Pricing: Proposals should also include quotes for field trips and athletic transportation and "other" scheduled trips, on a cost per hour basis and mileage or other equivalent basis.

4.2.3 Bus Aides: The Unified Public Schools is also seeking the per hour charge for any bus aides necessary to operate the Transportation Services contemplated under the Contract.

4.2.4 Cost Increases: Pricing and compensation for each Renewal Term of the Contract shall be negotiated by the parties; however, any increase shall not exceed the lesser of: 1) the percentage increase, if any, as established by the Consumer Price Index, All Items, for the Monroe Area, published by the United States Department of Labor, Bureau of Labor Statistics; or 2) three percent (3%).

SAMPLE CONTRACT

SCHOOL BUS TRANSPORTATION SERVICES AGREEMENT

THIS AGREEMENT is made and entered into as of the ____ day of _____ 201_, by and between _____, with principal offices at _____, (hereinafter called "District"), and _____ with its national headquarters at _____, City, State 12345 and local business offices for purposes of this Agreement located at _____ (hereinafter called "Contractor").

WITNESSETH

WHEREAS, District has selected Contractor to provide the pupil transportation services described herein; and

WHEREAS, Contractor desires to provide such transportation services,

NOW, THEREFORE, in consideration of the covenants hereinafter contained, the parties agree as follows:

SECTION 1: TERM

1.1 The term of this Agreement shall commence _____ and shall continue through _____. This Agreement may be extended by mutual written agreement for ____ (__) additional ____ year periods, the negotiation process for each extension including the negotiation of new economic terms, to occur on or before February 1st of the preceding school year. For purposes of this Agreement, the term "Contract Year" shall mean each one-year period commencing on _____ during the term of this Agreement.

SECTION 2: SCOPE OF SERVICES REQUIRED

2.1 Contractor shall, during the term of this Agreement, supply and maintain such school buses (in quantity and capacity) and personnel as are required to fulfill District's needs for transportation services as described in the Bid Specifications and Contractor's Proposal. In the event of a conflict between these documents and the provisions of this Agreement, the Agreement will control. Otherwise, the terms of the Bid Specifications and Contractor's Proposal shall govern the parties' relationship, in the following order of precedence: Contractor's Proposal and the Bid Specifications.

2.2 The parties understand and agree that Contractor's deployment of buses, creation of schedules, ability to hire and retain bus drivers and other key personnel, and the ability to run this Agreement successfully is dependant upon the assumption that the number of

buses, routes, days of service and schedule requirements contained in this Agreement will go unchanged.

However, the parties recognize that circumstances may require that District vary the schedule and requirements under certain circumstances and that such variation may impact Contractor. Accordingly, the parties agree that on not less than forty-five (45) days prior written notice to Contractor, District may:

2.2.1. Increase or decrease the number of vehicles required under the Agreement by more than five percent (5%) from the average number of vehicles in use;

2.2.2 Increase or decrease the length of the school day by more than thirty minutes;

2.2.3. Increase or decrease, when specifically mandated under state law, the number of days in the school year for which transportation is to be provided;

2.2.4. Increase or decrease miles or hours by greater than 5% in a single Agreement period or at any time by greater than 10% from the first day of the Contract Year; or

2.2.5. Add or delete programs qualifying for school bus transportation which increase or decrease five percent (5%) or more, the scheduled routes run by Contractor, (each such item 2.2.1. through 2.2.5. above being a “Schedule Readjustment”).

Rate Adjustments: In the event of each Schedule Readjustment, Contractor may, with notice to District, adjust transportation rates under the Agreement where such adjustments are necessary to recover overhead expenses or redeployment expenses due to the change in services being undertaken.

Contractor shall respond in writing with any increase or decrease in transportation rates within 45 days of receiving such notice.

Calculating Rate Adjustments: Any Schedule Readjustments implemented by District shall be considered in light of the cumulative effect on the number of routes and buses increased or decreased by District over the immediate prior twelve (12) month period in determining whether the thresholds for Contractor adjustment have been met.

Nothing contained in this section shall permit Contractor to increase transportation rates if the Schedule Readjustments do not impact Contractor’s overhead expenses or redeployment costs impacted by the change.

Reduction Due to Assignment: With respect to any Schedule Readjustment under this section, any decrease in Contractor vehicles required associated with the assignment of

those routes to another school transportation provider where such Schedule Readjustment decreases the number of Contractor vehicles required under this Agreement by more than ten percent (10%), Contractor shall be permitted to terminate this Agreement on the earlier of sixty (60) days prior written notice or ten (10) days following the end of the current regular session school year, whichever comes first.

Damages Grace Period: In the event Contractor agrees to any increases or decreases which are Schedule Readjustment increase or decreases, Contractor shall be afforded a period of thirty (30) days following implementation of such changes during which time no liquidated damages may be assessed with respect to scheduled drop-off times or availability of buses on routes, while Contractor makes operational adjustments to meet School District requirements.

2.3 District represents, warrants and covenants that from and after the effective date of this Agreement, District will use Contractor as District's sole and exclusive provider for all of District's Charter Transportation at rates [agreeable by the parties OR as set forth in Exhibit __]. "Charter Transportation" shall mean the outsourced transportation of any and all persons to be transported for field trips, excursions, extracurricular, athletic, creative or academic activities, or any similar purpose.

SECTION 3: COMPENSATION AND BILLING

3.1 In consideration for services rendered hereunder, Customer shall pay to Contractor all undisputed sums due and owing in accordance with the rates set forth in Exhibit __, as may be adjusted from time to time as provided herein.

Contractor will submit to Customer a bi-weekly statement of its services rendered during the prior two-week period. After verification of the statement, Customer shall pay the full amount due to Contractor on or before the 10th business day following the date on which the statement has been submitted.

In the event that customer fails to make a payment on any sums due hereunder, and such sums remain unpaid for 20 days following receipt of the invoice by Customer, Contractor shall be entitled to: a) charge interest on unpaid amounts at the rate of 1.5% per month or the maximum statutory amount, whichever is greater; and/or b) terminate service under this Agreement until all amounts due have been paid in full. In the event of repeated delinquency by Customer, Contractor shall have the right to request a deposit or payment bond from Customer before resuming service. Contractor shall be entitled to, without limitation, court costs, litigation expenses and attorneys' fees incurred in any attempt to collect unpaid amounts due under this Agreement.

In the event that any statement amount is disputed by Customer, Customer shall deliver written notice specifying the disputed amount to Contractor within 5 days of receipt of the statement by Customer. In the absence of Customer timely providing said written notice, Customer waives any right to dispute said statement in the future. Customer shall pay all amounts not disputed to Contractor on or before the 10th business day following the date on which the statement has been submitted.

SECTION 4: ESCALATION

4.1 District and Contractor recognize that certain of Contractor's costs are subject to change during the term of this Agreement. As such, District and Contractor have negotiated escalation amounts set forth in Exhibit ___.

4.2 In the event of unusual circumstances, such as changes in state or federal taxes, laws or specifications, increased insurance or surety premiums or any other condition which causes any of Contractor's operating costs hereunder to increase at a rate in excess of any negotiated escalation, then the parties shall determine a reasonable and just amount to cover such increase, and rates of Contractor compensation set forth in Exhibit A shall be adjusted to reflect such increase.

SECTION 5: FUEL

5.1 Contractor shall purchase at its own cost, [including/excluding taxes], all fuel required for the operation of buses hereunder. Fuel prices are assumed at \$ ___ per gallon. Should Contractor's cost of fuel exceed \$ ___ per gallon [including/excluding taxes], District will reimburse Contractor the excess cost. Contractor will provide documentation substantiating its fuel costs upon written request of District.

SECTION 6: ROUTES AND SCHEDULES

6.1 Contractor shall be primarily responsible for planning all routes, stops and schedules. Contractor shall furnish District a complete route map on or before the first day of enrollment of each school year.

6.2 District shall furnish Contractor with a list of student names and addresses not later than 30 days prior to the start of each school year, from which Contractor will construct a complete route map on or before the first day of enrollment of each school year. Contractor shall use the route information provided by District to calculate the approximate time of pick up and drop off for each stop. Contractor shall then provide a list of such times to District. District shall inform parents and families of these times.

6.3 District reserves the right to establish the routes and schedules to be followed and to make changes therein from time to time. District shall notify Contractor whenever changes are necessary in routes or time schedules, and Contractor shall make a reasonable effort to adjust its operations to incorporate such changes within five (5) business days after notice is received from District. District shall waive its right to assess any liquidated damage or penalty with regard to such change for the first fourteen (14) days implementation. In the event District changes routes or schedules once service has begun or been published, District will assist in republication of changes or other notification to those patrons whose service has been changed. Contractor shall consult with District as to stops or portions of routes that Contractor considers to be a safety concern due to traffic patterns or configurations. In the event any stop or portion of a route remains unchanged by District after such discussions, and Contractor believes such stop or route presents an unacceptable safety risk to Contractor's property or students, Contractor may reject the stop or route portion and provide District with alternative designations by written notice.

SECTION 7: RECORDS AND REPORTS

7.1 Contractor shall provide within 30 business days of any request, those reports and records which may be reasonably requested by District pertaining to students, routes, stops, mileage audits and other information having to do with daily operations. In reviewing Contractor's records, District shall protect the confidentiality of Contractor's proprietary or confidential information included in the data provided.

7.2 Contractor shall maintain such records and submit such reports, as are deemed necessary by District and as negotiated between Contractor and District from time to time. All reports required by District shall be submitted on forms mutually agreed upon by both parties. Contractor will not be responsible for filing on behalf of District any state or regulatory reports concerning ridership or reimbursement.

7.3 Contractor shall immediately notify the Superintendent of Schools, or his or her designated representative, by telephone and confirmed as soon as practicable in writing, of the occurrence of any incident involving student riders, or a traffic violation or accident reportable by law that involves a vehicle with passengers that is being used to provide transportation services pursuant to this Agreement. Written notification shall contain a full and complete statement of all relative facts including police case number when available.

SECTION 8: INDEMNIFICATION

8.1 Contractor agrees to indemnify, hold harmless and defend District, its governing board, officers, employees and agents from and against every claim or demand which may be made by any person, firm, or corporation, or any other entity arising from or caused by any act of neglect, default or omission of Contractor in the performance of this Agreement,

except to the extent that such claim or demand arises from or is caused by the negligence or willful misconduct of District, its agents or employees, student-upon-student violence; routing; or Contractor's good faith adherence to District's policies, procedures, directives.

8.2 District agrees to indemnify, hold harmless and defend Contractor, its directors, officers, employees and agents from and against every claim or demand which may be made by any person, firm, or corporation, or any other entity arising from or caused by any act of neglect, default or omission of District in the performance of this Agreement, except to the extent that such claim or demand arises from or is caused by the negligence or willful misconduct of Contractor, its agents or employees.

SECTION 9: INSURANCE

9.1 Contractor shall, at its expense, procure and keep in force during the entire term of this Agreement for claims arising under this Agreement, General Liability and Automobile Liability Insurance to protect Contractor, its drivers and other personnel. Contractor shall provide General Liability limits of not less than \$1,000,000.00 each occurrence and aggregate bodily injury and property damage and \$1,000,000.00 Personal Injury each occurrence and aggregate; Automobile Liability limits of not less than \$1,000,000.00 combined single limit for bodily injury and damage to property for all owned, hired and non-owned autos; and umbrella coverage of not less than \$2,000,000.00 in addition to the limits listed above, Contractor shall also maintain uninsured/underinsured motorist coverage and medical payments coverage to the extent required by law. Contractor agrees to provide to District a certificate of insurance evidencing such coverage and designating District as an additional insured as its interest may appear for both the General and Automobile Liability programs, and reference to the hold harmless and indemnification provisions in this Agreement, such certificate to be provided by July 1st of each Contract Year, or on renewal of such policies. All insurance policies shall provide that no coverage shall be canceled except by thirty (30) days' written notice to Contractor and District. Insurer shall maintain a minimum A.M. Best's & Company rating of A or Contractor shall obtain insurance from a company mutually agreed upon between Contractor and District. Contractor shall provide District with a certificate of insurance as evidence of having statutory workers' compensation coverage at levels and in forms required by the laws in which Contractor shall operate for this Agreement.

9.2 District will, at its own expense, procure and keep in force general liability insurance as is customary in the business and at limits of not less than \$1,000,000.00.

SECTION 10: FORCE MAJEURE

10.1 In the event Contractor is unable to provide the transportation services as specified in this Agreement because of any act of God, civil disturbance, fire, riot, war, terrorism, picketing, strike, labor dispute, labor shortages, governmental action or any other condition

or cause beyond Contractor's control or any other force majeure clause as defined by state law, District shall excuse Contractor from performance under this Agreement.

SECTION 11: SCHOOL CLOSINGS OR CHANGES IN SCHEDULE

11.1 Whenever (a) inclement weather or impassability of roads occurs, (b) school is canceled or delayed, (c) the school day is scheduled for other than regular start or end times, or (d) school is dismissed early for any reason, District shall notify Contractor not later than 6:00 a.m. on the day of such cancellation or delay or not later than two (2) hours before early dismissal or the cancellation of Supplemental Transportation. If District does not notify Contractor by 6:00 a.m., District shall pay Contractor half the daily rate per bus for that day.

11.2 Notwithstanding the foregoing, in the event of circumstances in the operation of any school which necessitate early dismissal for student health or safety reasons, the Contractor and District shall cooperate to facilitate orderly transportation of students in the most efficient manner possible in light of the circumstances presented.

SECTION 12: SAFETY PROGRAM

12.1 Contractor shall be responsible for implementing, maintaining, and reviewing annually a comprehensive pupil transportation safety program.

12.2 Contractor's employees shall not be required to perform any medical functions for passengers.

SECTION 13: MANAGEMENT PERSONNEL

13.1 Contractor shall employ management personnel who shall be responsible for the efficient operation of the transportation services furnished hereunder and who shall be Contractor's liaison to District. Contractor will designate a crisis management contact person for emergency contact with District. Prior to the start of the school year, Contractor shall inform District of the name(s), contact telephone number(s) and address(es) of such management personnel.

13.2 District shall employ management personnel who shall be responsible for coordination of the student transportation requirements of District to be furnished under this Agreement and who shall be District's liaison to Contractor. District will designate a crisis management contact person for emergency contact with Contractor. Prior to the start of the school year, District shall inform Contractor of the name(s), contact telephone number(s) and address(es) of such management personnel.

SECTION 14: OPERATIONS PERSONNEL/DRIVERS

14.1 Contractor shall employ a sufficient number of qualified drivers and support personnel to assure District of continuous, reliable, safe, and on time service.

14.2 Contractor shall take reasonable steps to prevent its employees from exposing any pupil to impropriety of word or conduct. Contractor shall not knowingly permit its drivers to smoke on the bus, to drink any intoxicating beverage, or to be under the influence of drugs or alcohol while operating any bus.

14.3 Contractor shall be responsible for hiring and discharging personnel employed by Contractor to perform its obligations hereunder. However, District shall have the right to request Contractor to remove from service to District any employee who, in District's sole discretion, is deemed unsuitable for the performance of transportation services for District; provided that District shall make such request in writing, state the reasons therefore and include any supporting documentation, and provided further that such request does not violate applicable local, state or federal laws, rules or regulations.

14.4 Contractor shall provide qualified driver/trainers and qualified drivers, trained and licensed in accordance applicable laws and the rules and regulations of District. Not less than sixty (60) days prior to the start of any school year, District shall advise Contractor of District's requirements for training or qualification for drivers or driver/trainers. Contractor will, to the extent such requirements do not conflict with state or federal laws, implement such requirements into its hiring and training programs for drivers servicing District's students. Contractor agrees that each driver shall:

14.4.1 Possess a valid license or permit issued by this State authorizing such person to operate a school bus.

14.4.2 Be certified by a duly licensed medical practitioner as medically qualified and free of medical or physical conditions, which, absent reasonable accommodation, would limit safe operation of a school bus. The physical examination shall be conducted prior to employment and periodically thereafter.

14.4.3 Possess a satisfactory driving record and criminal history record, after review of such records prior to employment and periodically thereafter to the extent permitted or available by law.

14.4.4 Prior to employment and from time-to-time thereafter, to the extent permitted by law, undergo such tests as may reveal, within a reasonable degree of medical or scientific certainty, the presence or absence of drugs or controlled substances in the body and such tests as may clinically reveal alcoholism or alcohol abuse. Negative findings for such tests

shall be a condition of employment.

14.4.5 Meet any other criteria required by law or by District's policies, rules or regulations.

SECTION 15: TRAINING REQUIREMENTS

15.1 Contractor shall provide thorough instruction to drivers in compliance with state and federal safety and operations guidelines and regulations. The District shall have the right to review course content.

15.2 Prior to the start of the school year, Contractor will provide time at one of its driver orientation sessions so that District administrators may address drivers assigned to work under this Agreement on matters relating to the expectations for student conduct and to familiarize drivers with members of the school administration. Such orientation will be at a time and place mutually agreed upon by Contractor and District. District may not distribute materials to drivers without Contractor approval.

SECTION 16: EQUIPMENT

16.1 All school buses supplied by Contractor in performance of this Agreement shall meet or exceed the standards established by the applicable laws and regulations. Contractor shall maintain the school buses used to provide transportation services under this Agreement in accordance with law and accepted industry maintenance standards.

16.2 The prices included with this Agreement do not include modifications to vehicles if seat belts or GPS were included in the equipment provided for students under this Agreement. If District or any government agency shall at some time in the future mandate that Contractor provide GPS or seat belts for use in vehicles, the parties shall negotiate in good faith alternative pricing and availability of vehicles to service District under this Agreement. In the event that District or any governmental agency imposes other equipment requirements other than those set forth above on Contractor's vehicles during the term of this Agreement, which are specific requirements for the operation of this Agreement or immediate installation is required for continuing operation of the vehicles, Contractor and District shall negotiate price increases applicable to such equipment installation.

16.3 Contractor agrees that all vehicles shall be equipped with two-way radios. Contractor agrees to perform an inspection of all radios prior to the start of the school year to ensure proper performance.

16.4 District may direct Contractor to perform additional tasks under this Agreement. Contractor shall perform such assignments in accordance with an agreed upon schedule and level of effort. Labor costs associated with such assignments shall be invoiced to

District at a cost of \$_____ per hour regular time and \$_____ per hour for overtime. Parts and supplies and any services performed by other than Contractor shall be invoiced to District [at cost/plus markup].

SECTION 17: PUPIL DISCIPLINE/VANDALISM

17.1 The ultimate responsibility and authority to suspend or expel any pupil from transportation services hereunder shall rest with District. Contractor's drivers are responsible only for such discipline as is required to properly and safely operate Contractor's buses. Each driver shall handle all disciplinary matters in strict accordance with District policy. In no case will a driver eject a pupil from a bus for misbehavior except in the event of an extreme emergency endangering the safety of other pupils and then only after radio notice to Contractor's terminal and to the pupil's building or school principal. In all cases of disciplinary ejection, the bus shall remain at the approximate area of student discharge until authorities arrive on site and authorize it to proceed on route. All discipline problems shall be reported in writing by the next school day following completion of the route. The District and Contractor will, in the event Contractor determines that a pupil poses a danger to himself/herself or other passengers, cooperate to provide a safe transportation environment prior to Contractor being required to transport such pupil. Further procedures and regulations for the administration of discipline shall be established cooperatively between District and Contractor.

17.2 Vandalism, damage to Contractor's equipment or facilities shall be the responsibility of Contractor. District shall give Contractor reasonable assistance in obtaining restitution for damaged equipment or facilities where damage is determined to be caused by District students or personnel. Contractor may, with the written concurrence by District, refuse to provide a pupil with transportation services until vandalism damages caused by such pupil are paid.

SECTION 18: ASSIGNMENT

18.1 This Agreement shall not be assigned by the parties hereto, without the written consent of District, which consent shall not be unreasonably withheld or delayed. However, Contractor may assign this Agreement if the assignment is made to a parent, subsidiary, related or affiliated company.

SECTION 19: TERMINATION

19.1 If either party violates any of the covenants or duties imposed upon it by this Agreement, such violation shall entitle the other party to terminate this Agreement in accordance with the following procedure: The non-defaulting party shall give the offending party thirty (30) days' written notice of default and the opportunity to remedy the violation. If at the end

of such 30-day default notice period, the party notified has not remedied the purported violation, the non-defaulting party may terminate this Agreement as follows: on the first business day following the last day of the 30-day default notice period, the non-defaulting party shall give the defaulting party 15 days' notice of termination. If the non-defaulting party does not provide this 15-day notice of termination, the default notice shall be deemed rescinded.

19.2 District has the ability to cancel this Agreement effective at the end of any Contract Year on the failure of the state legislature to provide adequate funding to allow District to provide transportation services to students within District. In the event District shall elect to terminate this Agreement due to state legislative funding deficiencies, District shall give written notice to Contractor on or before May 1 prior to the end of any Contract Year for services to be rendered in the following Contract Year. In the event state funding is restored following a termination of this Agreement under this Section, Contractor shall be entitled to a right of first refusal to provide continuing service to District under this Agreement.

SECTION 19: MUTUAL TERMINATION FOR CONVENIENCE

19.1 Either party may terminate this Agreement for convenience upon not less than (60) days prior written notice to the other party.

SECTION 20: SURVIVAL

20.1 The mutual obligations described in Compensation and Billing, and Indemnification hereof shall survive the termination or expiration of the Agreement.

SECTION 21: STATUS OF CONTRACTOR

21.1 In the interpretation of this Agreement and the relations between Contractor and District, Contractor shall be construed as being an independent contractor employed to provide transportation services only. Neither Contractor nor any of its employees shall be held or deemed in any way to be an agent, employee or official of District. Contractor shall be responsible for, and hold District harmless from any liability for unemployment taxes or contributions, payroll taxes or other federal or state employment taxes.

SECTION 22: SEVERABILITY

22.1 In the event any provision specified herein is held or determined by a court of competent jurisdiction to be illegal, void or in contravention of any applicable law, the remainder of the Agreement shall remain in full force and effect.

SECTION 23: EXTENSION AND MODIFICATION

23.1 Contractor and District may extend or otherwise modify the terms of this Agreement in whole or in part as circumstances may justify by mutual written agreement executed by the duly authorized representatives of the parties.

SECTION 24: NOTICE TO PARTIES

24.1 All notices to be given by the parties to this Agreement shall be in writing and served by depositing same in the United States mail, postage prepaid, registered or certified mail.

Notices to District shall be addressed to:

Name
Address
City, State ZIP

Notices to Contractor shall be addressed to:

Name
Address
City, State ZIP

24.2 District or Contractor may change its address of record for receipt of official notice by giving the other written notice of such change and any necessary mailing instructions.

SECTION 25: ENTIRE AGREEMENT

25.1 This Agreement sets forth the entire agreement between District and Contractor concerning the subject matter hereof. There are no representations, either oral or written, between District and Contractor other than those contained in this Agreement.

SECTION 26: COMPLIANCE WITH THE LAW

26.1 Notwithstanding any contrary provision in this Agreement, Contractor shall comply with federal, state and local laws, rules and regulations in providing transportation services described herein.

SECTION 27: DISPUTE RESOLUTION

27.1 The parties shall negotiate in good faith in an attempt to resolve any dispute that may arise under this Agreement. Disputes that cannot be resolved by negotiation shall

be submitted to mediation using a mutually agreed upon mediator. In the absence of an agreement on a mediator, each party shall select a temporary mediator and those mediators shall jointly select the permanent mediator. If mediation is not successful, the parties may pursue their remedies as they choose. Nothing in this Agreement shall be deemed to prevent the parties from agreeing in the future to submit a dispute to arbitration.

SECTION 28: PLACE OF CONTRACT/CONTROLLING LAW

28.1 This Agreement shall be governed by the laws of the State of _____. All references in this Agreement to the “state” shall mean the State of _____. All regulations, laws and requirements of the state shall mean the regulations, laws or requirements of the State of _____.

SECTION 29: AUTHORITY

29.1 Both parties warrant that they are properly authorized to enter into this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement the day and year first hereinabove written.

Contractor

By: _____
Title:

Attest:

By: _____
Title:

District

By: _____
Title:

Attest:

By: _____
Title:

