
Transportation Services

*Request for Proposal (RFP)
Process and
Response*



RFP Process

- Time Line of Milestones:
 - RFP development process: 2/1/09 – 2/26/09
 - RFP released to the public for bidding: 2/26/09
 - Pre-bid meeting held: 3/5/09
 - Bids received and opened: 3/26/09
 - Proposal review and evaluation process conducted: 3/26/09 -> present
 - Tentative Board Action: 4/21/09



Interview Committee

- Frank Lams
- Mike Adamczyk
- Jasen Witt
- Kathy Davisson
- Dominick Asaro
- Jerry Cottone
- Kathy Jagels
- Barbara Fowler

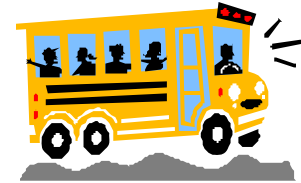


RFP Responses



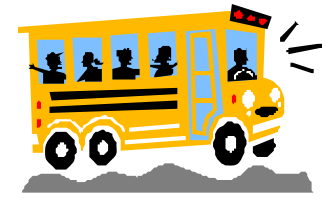
- Three (3) vendors responded
- Two (2) vendors provided a full service bid (district owned buses) with alternative (contractor owned buses)
 - TSD 2008/09 operational costs \$3,531,647
 - First Student 2009/10 base bid \$3,273,794
 - First Student 2009/10 alternative \$3,687,490
 - Durham 2009/10 base bid \$3,550,163
 - Durham 2009/10 alternative \$3,684,260

First Student



- ❑ First Student is a wholly owned subsidiary of FirstGroup plc, a \$10 billion per year transportation company headquartered in Aberdeen, Scotland. North American operations are based in Cincinnati, OH
- ❑ With more than 68,000 employees, First Student is the nation's largest provider of pupil transportation services
- ❑ First Student projects three year savings of \$1,165,957 in operating costs
- ❑ Transports more than 4 million students to and from school every day

First Student (cont.)



- ❑ Will include a full efficiency study (value of approximately \$20,000) of your current routing system to identify opportunities (if any) and make recommendations
- ❑ First Student makes every effort to hire employees who previously operated and maintained the transportation system.
- ❑ Wages for current employees hired by First Student will be equal to existing wages. In addition, proposal includes paid holidays and health and medical benefits.

First Student (cont.)



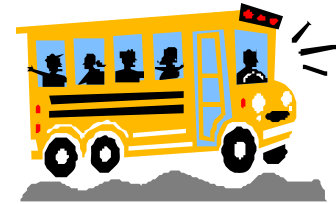
- ❑ Will install Child CheckMate System on all buses to prevent sleeping children being left on buses
- ❑ Will equip each vehicle with GPS system
- ❑ FirstGroup was recently named winner of the National Safety Council 2009 Green Cross for Safety Medal. This is the highest award for safety in North America.

First Student (cont.)



- ❑ First Planning Solutions, a division of First Student, has installed in excess of 200 electronic routing systems in its 16 years of operation and today supports an estimated 150 routing FTE's in 150 locations routing over 14,000 buses across North America. They have experience with many different programs, including VersaTrans.
- ❑ First Student offers a comprehensive safety program, including 20 hours of classroom instruction, 15 hours of one-on-one behind-the-wheel training, 10 hours annually of refresher training and numerous special needs driver education programs.

Durham School Services



- ❑ Began operations in California in 1917
- ❑ Services over 350 School Districts, in 29 states
- ❑ Fleet of more than 17,300 buses
- ❑ Stresses “people component” – hiring, training and staff morale
- ❑ Technology component – “Transformations” system including GPS on fleet and web-based technology
- ❑ Customer service component – TSD interaction as well as with parents, students and staff

Durham School Services (cont.)



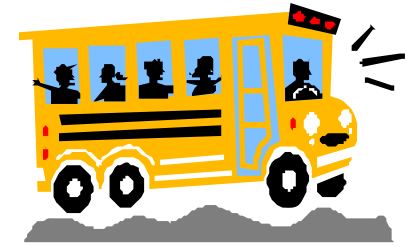
- ❑ Current employees will receive first consideration for all available positions
- ❑ Drivers and monitors will receive a wage increase, a sign-on bonus and paid holidays
- ❑ Drivers and monitors are eligible for monthly safety and attendance bonuses
- ❑ Durham will take full responsibility for any major repairs to district owned buses or engine replacement after a 90 day inspection period
- ❑ An optional GPS solution is included with proposal.



Durham School Services (cont.)

- ❑ Durham currently utilizes VersaTrans
- ❑ Will maintain sufficient spare vehicles to accommodate any short-term increase in demand
- ❑ Each driver will receive a minimum of 40 hours of classroom and behind-the-wheel training
- ❑ All drivers must participate in at least 10 hours of in-service training per school year
- ❑ All drivers undergo a behind-the-wheel evaluation at least twice per school year

RFP Responses



□ Base Bid includes:

- TSD keeps current bus fleet
- TSD responsible for fuel

Alternative A includes:

- First Student to purchase 5, 15 and 22 new buses respectively in years 1 through 3.
- Durham to purchase 24 new buses in year 5 and 11 new buses in year 6.

Additional Items:

- Worker compensation insurance
- Bus Insurance
- Unemployment Costs

RFP Comparison

District Owned Buses		2008/2009		2009/2010			
		Troy School District		Durham Services		First Student	
Routes	Description	Cost/Route	Annual Cost	Cost/Route	Annual Cost	Cost/Route	Annual Cost
40	Regular Transportation	219.40	1,570,921.03	223.44	1,599,830.40	192.40	1,377,584.00
25	Daily Shuttles	Incl.		Incl.		65.00	290,875.00
24	Mid-Day Routes	79.02	339,471.82	82.20	353,131.20	43.00	184,728.00
31	Special Ed. Transportation	280.74	1,557,832.63	268.12	1,487,797.88	229.35	1,272,663.15
						-	
2	Vocational Ed.	177.16	63,421.63	Incl.		64.00	22,912.00
	Bus Aides	Incl.			109,403.28		125,032.32
Total Annual Costs			3,531,647.11		3,550,162.76		3,273,794.47

Operational Cost Savings

TSD Annual Costs				Durham			
	09/10	10/11	11/12	09/10	10/11	11/12	
08/09	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	
	3,531,647.11	3,743,545.94	3,968,158.69	4,206,248.21	3,440,759.48	3,440,759.48	3,440,759.48
			Cost of Bus Aides		109,403.28	109,403.28	109,403.28
			Potential Savings per year		(193,383.18)	(417,995.93)	(656,085.45)
							(1,267,464.56)

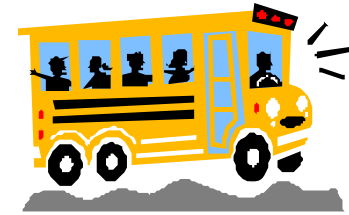
Operational Cost Savings

District Owned Buses							
TSD Annual Costs				First Student			
	09/10	10/11	11/12	09/10	10/11	11/12	
08/09	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	
	3,531,647.11	3,743,545.94	3,968,158.69	4,206,248.21	3,148,762.15	3,236,047.92	3,340,569.60
			Cost of Bus Aides		125,032.32	128,783.29	132,638.45
			Potential Savings per year		(469,751.47)	(603,327.48)	(733,040.16)
							(1,806,119.11)

Bus Replacement Scenario

TSD Annual Costs								
08/09	09/10	10/11	11/12	12/13	13/14	14/15		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6		
3,531,647.11	3,743,545.94	3,968,158.69	4,206,248.21	4,458,623.11	4,726,140.49	5,009,708.92	Base Transportation	
	525,000.00	525,000.00	525,000.00	525,000.00	525,000.00	525,000.00	Bus Purchases	
	4,268,545.94	4,493,158.69	4,731,248.21	4,983,623.11	5,251,140.49	5,534,708.92	Total Cost, TSD	
	3,684,260.61	3,684,260.61	3,684,260.61	3,794,788.43	3,908,632.08	4,025,891.04	Durham School Ser	
	(584,285.33)	(808,898.08)	(1,046,987.60)	(1,188,834.68)	(1,342,508.41)	(1,508,817.88)	Savings	
						(6,480,331.98)	Cumulative Savings	
	3,303,275.77	3,432,736.65	3,567,032.69	3,706,256.80	3,850,624.02	3,994,621.83	First Student	
	(965,270.17)	(1,060,422.04)	(1,164,215.52)	(1,277,366.30)	(1,400,516.47)	(1,540,087.09)	Savings	
						(7,407,877.60)	Cumulative Savings	

Visitations



- Birmingham (Durham) – April 3, 2009
- Pinckney (First Student) – April 3, 2009
- Pontiac (First Student) – April 16, 2009

First Student Organization Chart

- Region Manager
- Troy Location Contract Manager
- Technician in Charge
- Mechanics
- Dispatcher
- Safety/Training
- Bus Drivers

Durham Organization Chart

- General Manager
- Administrative Assistant
- Dispatcher
- Router
- Safety Supervisor
- Maintenance Supervisor
- Mechanics
- Bus Drivers
- Bus Monitors

Union Negotiations Status



- Active negotiations are ongoing with TESPA

Next Steps with the Vendor, if Desired

- Analysis of health care policies by independent consultant
- Continue review of numbers through vendor contract negotiations
- Determine long-term needs for maintaining the bus fleet
- Develop transition plan on the TSD side – Determine staffing structure to interface with the contractor
- Review insurance needs, including but not limited to property and casualty, workers' compensation, errors and omissions, etc.
- Legal review of the contract
- Board of Education Resolution

Questions

