



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

148 North Binkley Street Soldotna, Alaska 99669-7520

Phone (907) 714-8888 Fax (907) 262-9132

www.kpbsd.k12.ak.us

SCHOOL BOARD COMMUNICATION

Title:	Transportation Services (Postponed at 7/11/16 meeting.)		
Date:	7/5/2016	Item Number:	Work Session & Item 10b.
Administrator:	Dave Jones, Assistant Superintendent <i>Dave Jones</i>		
Attachments:	Price Spreadsheet		

Action Needed **For Discussion** **Information** **Other:** _____

BACKGROUND INFORMATION

As we discussed at the June Board Meeting, KPBSD's current contract with First Student for the transportation of students to and from school expires on June 30, 2017.

Vendor Consideration

Following discussion with the Board at the December Board Meeting, KPBSD issued an RFP for Pupil Transportation Services beginning with the FY18 school year. Proposals were due back by April 15, 2016. We received proposals from three different vendors. The proposal from MV Transportation was found to be non-responsive. Although there were concerns with the First Student proposal, an evaluation team consisting of Wanema Arndt, Julie Cisco and Dave Jones evaluated the two remaining proposers, Apple Bus Company and First Student, according to pre-determined evaluation criteria. Those criteria assessed a vendor's ability to meet the bussing services requested in the RFP as well as the cost of those services.

Apple Bus had the lowest proposed daily rates at \$558.23 for regular education buses/routes, and \$740.49 for special education buses/routes for the FY18 school year. First Student proposed daily rates of \$564.31 for regular education buses/routes, and \$748.56 for special education buses/routes. I have attached a spreadsheet that calculates the cost of bussing proposed by both vendors for each year of the ten year contract. As you can see, there is a significant cost difference each year, and the cumulative difference means that Apple Bus Company will provide the services for \$976,994.11 less than First Student over the life of the contract.

The three person evaluation team independently considered the pre-determined evaluation criteria related to vendor's ability to meet the bussing services requested in the RFP. Each person determined Apple Bus Company to be the higher ranked vendor to provide the requested services.

Apple Bus Company received superior references from school districts they currently provide services to. We also checked with a district that Apple Bus will start services with for the first time this fall, and they were pleased and confident that Apple Bus would be prepared to provide quality services when school starts.

Apple Bus Company which is headquartered in Cleveland, Missouri was determined to be the better qualified and lowest priced proposer.

Apple Bus currently provides student transportation services to approximately sixty school districts across Missouri, Kansas, Texas, Illinois, Louisiana and Michigan. KPBSD will be their first client in Alaska.

Southern Peninsula Tier I or II Discussion

As per Board discussions in December, the Transportation RFP was issued with two options for Service Area II (Southern Peninsula). Option I maintained the current one-tier bussing numbers, and Option II was intended to reduce the number of buses by switching to a two-tiered system on the Southern Peninsula similar to what is used on the Central Peninsula. On a good note, Apple Bus proposed the same daily amount for Service Area II (Southern Peninsula) if it is decided to reduce the number of buses/routes in that area.

A review of the KPBSD Transportation Budget and future projections were provided and discussed at the June Board Meeting. I am including the summary of that discussion again below for your consideration.

The Transportation Fund ended FY15 with an available fund balance of \$1,039,092. This will be a useful tool when dealing with the projected future deficit budgets. In FY17, maintaining the same number of buses/routes shows a projected deficit of (\$140,592). If we have to add the two special education buses/routes we previously discussed, the deficit for FY17 grows to (\$392,358).

If we start the new bussing contract in FY18 with the same number of buses as we had in FY16, we show a projected deficit of (\$247,722). If the two special education buses/routes are added, the deficit for FY18 grows to (\$504,524).

Without a change in operations, future KPBSD Transportation Budgets will become unmanageable due to the increasing deficits.

As per discussions in December, the Transportation RFP was issued with two options for Service Area II (Southern Peninsula). Option I maintained the current one-tier bussing numbers, and Option II was intended to reduce the number of buses by switching to a two-tiered system on the Southern Peninsula similar to what is used on the Central Peninsula. Administration believes that with a change to two-tiered bussing on the Southern Peninsula, we will be able to reduce the use of six buses. At a yearly cost of \$94,889 per bus, a six bus reduction will save a total of \$569,334 in expenditures. This reduction will improve the long range Transportation Budget outlook. We will again discuss the long range costs at the worksession.

ADMINISTRATIVE RECOMMENDATION

Administration recommends that we enter into a ten year Student Transportation Contract with Apple Bus Company starting with FY18. The contract will commence at the proposed daily costs of \$558.23 for regular education buses, and \$740.49 for special education buses, and with a total of fifty (50) regular education buses and twenty (20) special education buses distributed as set out below:

Service Area I (Central Peninsula)
Regular Education – Thirty-six (36) buses
Special Education – Sixteen (16) buses

Service Area II (Southern Peninsula)
Regular Education – Nine (9) buses

Special Education – Three (3) buses

Service Area III (Moose Pass and Seward)

Regular Education – Five (5) buses

Special Education – One (1) bus

KPBSD
Transportation RFP

	FY18						FY19				FY20			
	# Of Busses	# Of Days	First Student Rate Per Day	Annual Total	Apple	Annual Total	First Student Rate Per Day	Annual Total	Apple	Annual Total	First Student Rate Per Day	Annual Total	Apple	Annual Total
Central Peninsula														
Regular Ed	36	170	\$ 564.31	\$ 3,453,577.20	\$ 558.23	\$ 3,416,367.60	\$ 575.60	\$ 3,522,648.74	\$ 569.39	\$ 3,484,694.95	\$ 587.11	\$ 3,593,101.72	\$ 580.78	\$ 3,554,388.85
Special Ed	17	170	\$ 748.56	\$ 2,163,338.40	\$ 740.49	\$ 2,140,016.10	\$ 763.53	\$ 2,206,605.17	\$ 755.30	\$ 2,182,816.42	\$ 778.80	\$ 2,250,737.27	\$ 770.41	\$ 2,226,472.75
Summer School	9	12	\$ 748.56	\$ 80,844.48	\$ 740.49	\$ 79,972.92	\$ 763.53	\$ 82,461.37	\$ 755.30	\$ 81,572.38	\$ 778.80	\$ 84,110.60	\$ 770.41	\$ 83,203.83
Southern Peninsula														
Regular Ed	15	170	\$ 564.31	\$ 1,438,990.50	\$ 558.23	\$ 1,423,486.50	\$ 575.60	\$ 1,467,770.31	\$ 569.39	\$ 1,451,956.23	\$ 587.11	\$ 1,497,125.72	\$ 580.78	\$ 1,480,995.35
Special Ed	4	170	\$ 748.56	\$ 509,020.80	\$ 740.49	\$ 503,533.20	\$ 763.53	\$ 519,201.22	\$ 755.30	\$ 513,603.86	\$ 778.80	\$ 529,585.24	\$ 770.41	\$ 523,875.94
Summer School	2	12	\$ 748.56	\$ 17,965.44	\$ 740.49	\$ 17,771.76	\$ 763.53	\$ 18,324.75	\$ 755.30	\$ 18,127.20	\$ 778.80	\$ 18,691.24	\$ 770.41	\$ 18,489.74
Seward/Moose Pass														
Regular Ed	5	170	\$ 564.31	\$ 479,663.50	\$ 558.23	\$ 474,495.50	\$ 575.60	\$ 489,256.77	\$ 569.39	\$ 483,985.41	\$ 587.11	\$ 499,041.91	\$ 580.78	\$ 493,665.12
Special Ed	1	170	\$ 748.56	\$ 127,255.20	\$ 740.49	\$ 125,883.30	\$ 763.53	\$ 129,800.30	\$ 755.30	\$ 128,400.97	\$ 778.80	\$ 132,396.31	\$ 770.41	\$ 130,968.99
Summer School	1	12	\$ 748.56	\$ 8,982.72	\$ 740.49	\$ 8,885.88	\$ 763.53	\$ 9,162.37	\$ 755.30	\$ 9,063.60	\$ 778.80	\$ 9,345.62	\$ 770.41	\$ 9,244.87
Totals				\$ 8,279,638.24		\$ 8,190,412.76		\$ 8,445,231.00		\$ 8,354,221.02		\$ 8,614,135.62		\$ 8,521,305.44
					Yearly Difference	\$ (89,225.48)			Yearly Difference	\$ (91,009.99)			Yearly Difference	\$ (92,830.19)
						FY18				FY19				FY20

Assumptions Made:

- 1 Special Education bus numbers include two additional routes in excess of FY16 numbers
- 2 The yearly inflation adjustment was projected at 2%

KPBSD
Transportation RFP

	FY21				FY22				FY23			
	First Student		Apple		First Student		Apple		First Student		Apple	
	Rate Per Day	Annual Total	Rate Per Day	Annual Total	Rate Per Day	Annual Total	Rate Per Day	Annual Total	Rate Per Day	Annual Total	Rate Per Day	Annual Total
Central Peninsula												
Regular Ed	\$ 598.85	\$ 3,664,963.75	\$ 592.40	\$ 3,625,476.63	\$ 610.83	\$ 3,738,263.03	\$ 604.25	\$ 3,697,986.16	\$ 623.04	\$ 3,813,028.29	\$ 616.33	\$ 3,771,945.88
Special Ed	\$ 794.38	\$ 2,295,752.02	\$ 785.81	\$ 2,271,002.21	\$ 810.27	\$ 2,341,667.06	\$ 801.53	\$ 2,316,422.25	\$ 826.47	\$ 2,388,500.40	\$ 817.56	\$ 2,362,750.69
Summer School	\$ 794.38	\$ 85,792.81	\$ 785.81	\$ 84,867.90	\$ 810.27	\$ 87,508.67	\$ 801.53	\$ 86,565.26	\$ 826.47	\$ 89,258.84	\$ 817.56	\$ 88,296.57
Southern Peninsula												
Regular Ed	\$ 598.85	\$ 1,527,068.23	\$ 592.40	\$ 1,510,615.26	\$ 610.83	\$ 1,557,609.60	\$ 604.25	\$ 1,540,827.57	\$ 623.04	\$ 1,588,761.79	\$ 616.33	\$ 1,571,644.12
Special Ed	\$ 794.38	\$ 540,176.95	\$ 785.81	\$ 534,353.46	\$ 810.27	\$ 550,980.48	\$ 801.53	\$ 545,040.53	\$ 826.47	\$ 562,000.09	\$ 817.56	\$ 555,941.34
Summer School	\$ 794.38	\$ 19,065.07	\$ 785.81	\$ 18,859.53	\$ 810.27	\$ 19,446.37	\$ 801.53	\$ 19,236.72	\$ 826.47	\$ 19,835.30	\$ 817.56	\$ 19,621.46
Seward/Moose Pass												
Regular Ed	\$ 598.85	\$ 509,022.74	\$ 592.40	\$ 503,538.42	\$ 610.83	\$ 519,203.20	\$ 604.25	\$ 513,609.19	\$ 623.04	\$ 529,587.26	\$ 616.33	\$ 523,881.37
Special Ed	\$ 794.38	\$ 135,044.24	\$ 785.81	\$ 133,588.37	\$ 810.27	\$ 137,745.12	\$ 801.53	\$ 136,260.13	\$ 826.47	\$ 140,500.02	\$ 817.56	\$ 138,985.33
Summer School	\$ 794.38	\$ 9,532.53	\$ 785.81	\$ 9,429.77	\$ 810.27	\$ 9,723.19	\$ 801.53	\$ 9,618.36	\$ 826.47	\$ 9,917.65	\$ 817.56	\$ 9,810.73
Totals		\$ 8,786,418.34		\$ 8,691,731.54		\$ 8,962,146.70		\$ 8,865,566.18		\$ 9,141,389.64		\$ 9,042,877.50
			Yearly Difference	\$ (94,686.79) FY21			Yearly Difference	\$ (96,580.53) FY22			Yearly Difference	\$ (98,512.14) FY23

KPBSD
Transportation RFP

	FY24				FY25				FY26			
	First Student		Apple		First Student		Apple		First Student		Apple	
	Rate Per Day	Annual Total	Rate Per Day	Annual Total	Rate Per Day	Annual Total	Rate Per Day	Annual Total	Rate Per Day	Annual Total	Rate Per Day	Annual Total
Central Peninsula												
Regular Ed	\$ 635.50	\$ 3,889,288.85	\$ 628.66	\$ 3,847,384.80	\$ 648.21	\$ 3,967,074.63	\$ 641.23	\$ 3,924,332.50	\$ 661.18	\$ 4,046,416.12	\$ 654.06	\$ 4,002,819.15
Special Ed	\$ 843.00	\$ 2,436,270.41	\$ 833.91	\$ 2,410,005.71	\$ 859.86	\$ 2,484,995.81	\$ 850.59	\$ 2,458,205.82	\$ 877.06	\$ 2,534,695.73	\$ 867.60	\$ 2,507,369.94
Summer School	\$ 843.00	\$ 91,044.02	\$ 833.91	\$ 90,062.50	\$ 859.86	\$ 92,864.90	\$ 850.59	\$ 91,863.75	\$ 877.06	\$ 94,722.19	\$ 867.60	\$ 93,701.02
Southern Peninsula												
Regular Ed	\$ 635.50	\$ 1,620,537.02	\$ 628.66	\$ 1,603,077.00	\$ 648.21	\$ 1,652,947.76	\$ 641.23	\$ 1,635,138.54	\$ 661.18	\$ 1,686,006.72	\$ 654.06	\$ 1,667,841.31
Special Ed	\$ 843.00	\$ 573,240.10	\$ 833.91	\$ 567,060.17	\$ 859.86	\$ 584,704.90	\$ 850.59	\$ 578,401.37	\$ 877.06	\$ 596,399.00	\$ 867.60	\$ 589,969.40
Summer School	\$ 843.00	\$ 20,232.00	\$ 833.91	\$ 20,013.89	\$ 859.86	\$ 20,636.64	\$ 850.59	\$ 20,414.17	\$ 877.06	\$ 21,049.38	\$ 867.60	\$ 20,822.45
Seward/Moose Pass												
Regular Ed	\$ 635.50	\$ 540,179.01	\$ 628.66	\$ 534,359.00	\$ 648.21	\$ 550,982.59	\$ 641.23	\$ 545,046.18	\$ 661.18	\$ 562,002.24	\$ 654.06	\$ 555,947.10
Special Ed	\$ 843.00	\$ 143,310.02	\$ 833.91	\$ 141,765.04	\$ 859.86	\$ 146,176.22	\$ 850.59	\$ 144,600.34	\$ 877.06	\$ 149,099.75	\$ 867.60	\$ 147,492.35
Summer School	\$ 843.00	\$ 10,116.00	\$ 833.91	\$ 10,006.94	\$ 859.86	\$ 10,318.32	\$ 850.59	\$ 10,207.08	\$ 877.06	\$ 10,524.69	\$ 867.60	\$ 10,411.22
Totals		\$ 9,324,217.43		\$ 9,223,735.05		\$ 9,510,701.78		\$ 9,408,209.75		\$ 9,700,915.82		\$ 9,596,373.94
			Yearly Difference	\$ (100,482.38)			Yearly Difference	\$ (102,492.03)			Yearly Difference	\$ (104,541.87)
			FY24				FY25				FY26	

KPBSD
Transportation RFP

	FY27		Apple	
	First Student	Annual	Annual	Annual
	Rate <u>Per Day</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>
Central Peninsula				
Regular Ed	\$ 674.40	\$ 4,127,344.45	\$ 667.14	\$ 4,082,875.53
Special Ed	\$ 894.60	\$ 2,585,389.65	\$ 884.95	\$ 2,557,517.34
Summer School	\$ 894.60	\$ 96,616.64	\$ 884.95	\$ 95,575.04
Southern Peninsula				
Regular Ed	\$ 674.40	\$ 1,719,726.85	\$ 667.14	\$ 1,701,198.14
Special Ed	\$ 894.60	\$ 608,326.98	\$ 884.95	\$ 601,768.79
Summer School	\$ 894.60	\$ 21,470.36	\$ 884.95	\$ 21,238.90
Seward/Moose Pass				
Regular Ed	\$ 674.40	\$ 573,242.28	\$ 667.14	\$ 567,066.05
Special Ed	\$ 894.60	\$ 152,081.74	\$ 884.95	\$ 150,442.20
Summer School	\$ 894.60	\$ 10,735.18	\$ 884.95	\$ 10,619.45
Totals	\$ 9,894,934.13		\$ 9,788,301.42	
		Yearly Difference	\$ (106,632.71)	
			FY27	
		Life of Contract Difference	\$ (976,994.11)	