



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

Date: 7/19/2016

Item Number: 2a.

Administrator: Dave Jones, Assistant Superintendent *Dave Jones*

Attachments:

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

BACKGROUND INFORMATION

We have previously discussed awarding a ten year Student Transportation Contract beginning with the FY18 school year at both the June and July Board Meetings.

As you are aware, First Student chose to take the appeal process to the District Court level and had asked the Court for a Stay restricting KPBSD from awarding the Student Transportation Contract to Apple Bus Company. Prior to the July 11, 2016 Board Meeting, the Court issued a Temporary Stay so the parties could brief the Court on certain issues. Based on that Temporary Stay, the Board postponed action awarding a contract until the Court acted to lift the Stay.

On Monday, July 18, 2016, after considering the briefs the Court addressed the issue. The Court held that First Student had not carried the balance of proof under either test to show irreparable harm, and the Court ruled that First Student's proposal was in fact nonresponsive. Based on those findings, the Court denied First Student's Motion to Stay. That action now clears the way for the Board to award a Student Transportation Contract.

Vendor Consideration

The pricing and service considerations used in determining the better qualified and lowest priced proposer have been discussed in detail at our prior meetings. After detailed consideration, it is clear that Apple Bus Company presented the superior and only responsive proposal to provide Student Transportation Services to KPBSD commencing July 1, 2017 for the FY18 school year.

Apple Bus Company which is headquartered in Cleveland, Missouri, 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

There has also been considerable discussion at numerous previous meetings concerning the type of bussing to be provided on the Southern Peninsula. The Transportation RFP was issued with two options for the 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. During previous discussions, consensus was reached that if there was going to be a change, it would occur with the new transportation contract commencing July 1, 2017 for the FY18 school year.

A review of the KPBSD Transportation Budget and future projections has also been provided and reviewed at numerous previous meetings. Administration feels strongly that without a change in operations, future KPBSD Transportation Budgets will become unmanageable due to the increasing deficits.

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. Administration recommends that we change to two-tiered bussing on the Southern Peninsula commencing in August of 2017 for the FY18 and following school years.

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 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



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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 busing 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)
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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			
	First Student		Apple		Annual		First Student		Apple		First Student		Apple	
	# Of Busses	# Of Days	Rate Per Day	Annual Total	Rate	Annual Total	Rate Per Day	Annual Total	Rate	Annual Total	Rate Per Day	Annual Total	Rate	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	Totals	\$ 8,445,231.00		\$ 8,354,221.02	Totals	\$ 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	Annual	Annual	Annual	Rate	Annual	Annual	Annual	Rate	Annual	Annual	Annual
	Per Day	Total	Total	Total	Per Day	Total	Total	Total	Per Day	Total	Total	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	Totals	\$ 8,962,146.70		\$ 8,865,566.18	Totals	\$ 9,141,389.64		\$ 9,042,877.50
			Yearly Difference	\$ (94,686.79)			Yearly Difference	\$ (96,580.53)			Yearly Difference	\$ (98,512.14)
			FY21				FY22				FY23	

KPBSD
Transportation RFP

	FY24				FY25				FY26			
	First Student		Apple		First Student		Apple		First Student		Apple	
	Rate Per Day	Annual Total		Annual Total	Rate Per Day	Annual Total		Annual Total	Rate Per Day	Annual Total		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	Totals	\$ 9,510,701.78		\$ 9,408,209.75	Totals	\$ 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			
	Rate	Annual		Annual
	<u>Per Day</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)