
MEMORANDUM

TO: School Committee
FROM: Daniel Rosengard, Executive Director of Transportation
CC: Mary Skipper, Superintendent
Dr. Sam DePina, Deputy Superintendent of Operations
Indira Alvarez, Chief of Operations
Teresa Neff-Webster, Deputy Chief of Operations
Jacqueline Hayes, Assistant Director of Contract Operations and Fleet
DATE: Wednesday, March 15, 2023
RE: Yellow Bus Vendor Contract

Proposal: We would like to request that the School Committee approve the proposed yellow bus vendor contract between Boston Public Schools and Transdev Services Inc. for an initial five year term commencing on July 1, 2023. This contract is offered on the terms bid by BPS in Invitation for Bid Event EV00011276. This contract establishes a newly structured relationship between BPS and its yellow bus contractor, focused on vendor accountability tied to financial incentives based on student outcomes, in order to ensure that yellow bus transportation services provided by the BPS to the students of the City of Boston are safe, reliable, and on time. The proposed contract includes key changes from the prior transportation vendor contract to:

- Improve On Time Performance through setting strict performance standards for on-time arrivals in line with the DESE SIP and tying financial incentives towards hitting these standards;
- Increase financial accountability by introducing liquidated damages for non-performance to ensure the District can seek compensation for such events;
- Limit costs and shift financial liability to the vendor, by limiting the costs that the vendor can pass through to the district for reimbursement.

The proposed contract is also a key component of BPS Transportation's planning for the future. This contract ensures the district will have continuation of yellow bus transportation services for the next five years, beginning in summer of 2023 and school year 2023-2024. This contract is an important piece of the consistent progress that will be required to address long-standing transportation challenges, implement the recommendations of the Council of Great City Schools report, and improve transportation services for students.

At the March 15, 2023 School Committee meeting, the Department of Transportation will present an overview of the new contract structure, the development process and rationale for the contract structure, and how it ties into long-term transportation strategic plans. We will ask the School Committee to consider a vote on approving the contract so that it can be signed by all parties and move through the implementation phase.

IFB Development Process

BPS developed the Invitation for Bids in collaboration with two consulting firms with deep industry experience - Intueor Consulting and Transportation Advisory Services – that were selected through a competitive bid process. The consulting firms began working with BPS in the summer of 2021 to review BPS' transportation needs and operations. This review included the identification and review of peer districts, interviews of the four largest vendors in the school transportation industry, and consultations with BPS families, BPS transportation department employees, and other BPS stakeholders. The bid specification development process was overseen by a cross-department/cross-city steering committee, including senior leadership from BPS Operations, BPS Finance, BPS Business Services, and City Procurement.

Given that school bus transportation must be procured using an IFB (OIG Procurement Bulletin, vol. 11, no. 2; June 2005) with the contract required to be awarded to the lowest responsible and responsive bidder, BPS intentionally included transparent, carefully reasoned, and well structured bid specifications to ensure all bidders would meet minimum qualifications. Each bid specification that related to minimum qualifications was developed after an extensive needs analysis and market research in consultation with the consulting firms working with BPS. These requirements were tailored to address the complexity of the BPS transportation system, as well as to ensure that the lowest bidder was sufficiently experienced to meet contract requirements.

The IFB was released on September 9, 2022. All four of the largest vendors in the industry participated in the IFB process, including mandatory in-person yard walks and an extensive Q&A period with over 150 vendor questions. BPS received one bid from Transdev Services Inc. in the amount of approximately \$17.5 million per contract year with a 3% annual increase. This bid incorporates all costs that may no longer be passed through to the district under the new contract structure. This bid was on the low end of the anticipated bid spectrum of bids for this contract, which were estimated to come in between \$17.5 million to \$22.6 million per year.

The Inspector General's Office has conducted an extensive review of the bid process. The IGO's recent letter to the School Committee on the matter, following their review, addresses future contract management recommendations that will be followed by the Department of Transportation as it manages this contract moving forward.

Implementation:

Next steps for implementation include approvals and signing of the integrated contract, development of a written contract administration plan, and addressing data quality issues integral to assessment of performance metrics under this contract related to GPS. We know that the yellow bus vendor contract is a critical lever for improving student transportation services in accordance with the DESE SIP and the recommendations detailed in the report from the Council of Great City Schools on Transportation. BPS DOT will work to implement this contract to ensure vendor accountability for improved performance, while also working closely with our community, District, and City partners to move forward all other recommendations for improvement identified by the Council of Great City Schools. We will provide regular updates to the school committee on our progress.