

To: Board of Education

From: Kyle Hayden, assistant superintendent, business & operations, ext. 4309  
Ron May, director, administrative services, ext. 2584

Re: Student Transportation Services Contract

Date: June 9, 2016

Background:

Lawrence Public Schools has contracted student transportation services with First Student (formerly Laidlaw) since 1996. The most recent five-year (5-year) contract extension expires June 30, 2016. A cost analysis of transportation services was conducted during the 2015-16 school year. The findings of this analysis were presented to the Finance Advisory Council and reported to the Board of Education on April 13, 2016.

Rationale:

First Student has proposed a five-year (5-year) contract extension with the following terms:

- Year one increase of 4.69% (\$4.8 million)
- 3.5% increase each year for years two through five
- Five year total - \$25.7 million

First Student has also agreed to negotiate a lower rate (at least 1% savings per year) with the district in the event that we provide a facility to house the buses.

The cost increase will go to support upgraded buses over 13 years old and driver wages. We will need to replace five (5) buses in year one and 12 in year two. Driver wages will be increased from \$12 per hour to \$14 per hour to stay competitive in the local market.

Both parties agree to allow a "six (6) month out" clause to terminate the contract.

Recommendation:

Administration recommends board approval for a new five-year (5-year) contract with First Student for student transportation services.

Motion:

I move the Board of Education approve a new five-year (5-year) contract with First Student for student transportation services."