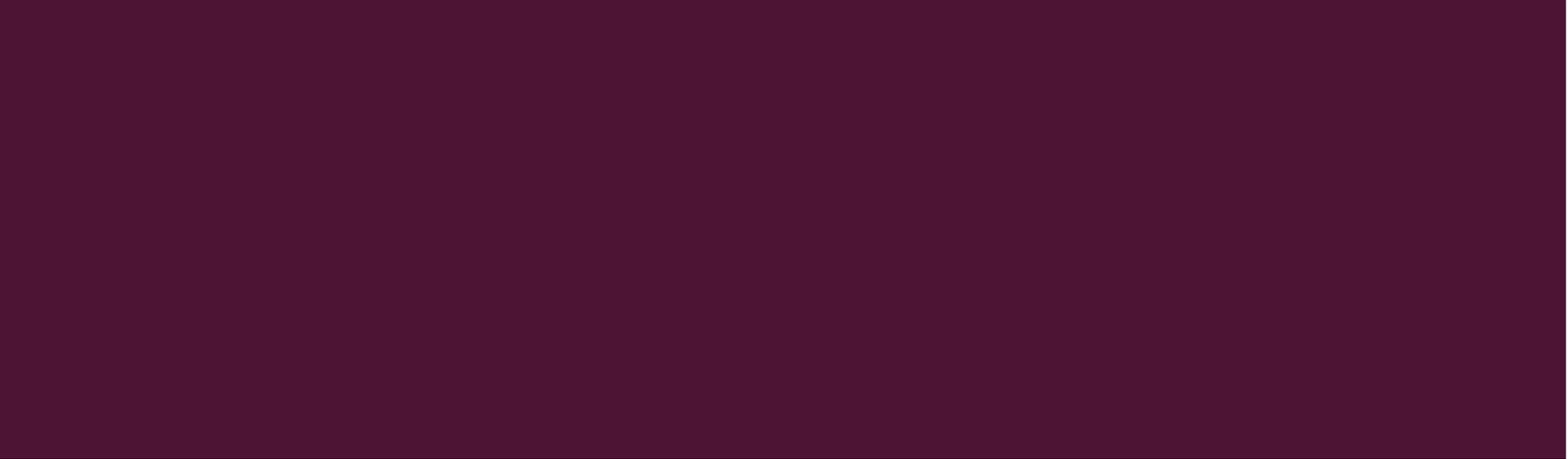




# STUDENT TRANSPORTATION SERVICES

4/11/2016



## BACKGROUND

- Lawrence Public Schools currently contracts with First Student for transportation services
  - 86 buses
  - 109 routes (35 doubles)
  - Approximately 2300 students enrolled to ride
  - Current school start times have created very efficient routing. Allows the district to save money by taking advantage of “stacked routes”.
- LPS did a cost analysis of transportation in 1996, leading to the decision to contract with Laidlaw, which was later purchased by First Student
- BOE approved a five year extension of the existing contract in 2011
- LPS has conducted a cost analysis this year and requested a bid from First Student for a potential contract extension

# FIRST STUDENT PROPOSAL

## Five Year Base Model

- 4.69% increase in year one
  - \$4.8 million
- 3.5% increase each year for years two through five
  - Year 2 - \$5 million
  - Year 3 - \$5.18 million
  - Year 4 – \$5.36 million
  - Year 5 – \$5.54 million
- Five year total - \$25.7 million

## Five Year with District provided facility

- 3.38% increase year one
  - \$4.77 million
- 2.5% increase each year for years two through five
  - Year 2 - \$4.9 million
  - Year 3 - \$5 million
  - Year 4 - \$5.13 million
  - Year 5 - \$5.27 million
- Five year total - \$24.9 million

- Both models include a \$1.50 fuel escalator. First Student pays the first \$1.50 per gallon of fuel.
- One year and Three year models were quoted, first year increase was double the increase of the five year base. New contract would include a “six month out” clause.

## IN-HOUSE COST ANALYSIS

- Operating Costs
  - Payroll - \$3.2 million (150 employees)
  - Expenses - \$800,000
- Total Annual Operating Costs \$4 million
- Capital Costs
  - Fleet Lease - \$750,000
    - Fleet Value - \$7.2 million
  - Facility Lease - \$175,000
- Total Annual Capital Costs \$925,000

Grand Total Annual Costs \$4,950,000

# ADVANTAGES AND CHALLENGES

## Advantages

- Capital costs can be pulled from capital outlay fund.
- May be able to find some efficiencies in personnel area.

## Challenges

- Hiring, training and retaining drivers
  - May be pulling from our own pool of classified workers
  - Drug testing
  - Licensing – once licensed drivers may leave to other CDL jobs

## ADMINISTRATIVE RECOMMENDATION

- Administration is recommending the Board of Education enter into a new five year contract with a clause that would allow either party to end the agreement prior to the contract. Administration will be seeking Board approval at the April 25<sup>th</sup> meeting.