



NEW HAVEN PUBLIC SCHOOLS

Thomas Lamb
Chief Operating Officer

Tel: 475-220-1590
Thomas.Lamb@new-haven.k12.ct.us

MEMORANDUM

To: Dr. Tracey, Finance and Operations Committee and the Board of Education

From: Thomas Lamb, COO

Date: 6/2/2023

Re: First Student Contract Extension for Transportation Services for the 2023/2024 School Year

As directed by the Board of Education the district has engaged with First Student to negotiate Option 1 in each of our contracts for services to provide transportation for the 2023/2024 fiscal year. Currently there are two multi-year contracts for services. These contracts are set to end in their final contract year on June 30th, 2023. This will be a negotiation of Option 1 of the existing contracts so all contract language in each will continue to apply. The Option 1 must be mutually agreed upon by both First Student and NHPS.

Contracts are:

Contract Number 21548 NHPS Special Education Out of Town Busing

Contract Number 21547 NHPS Regular Education and Special Education Busing

Contracts costs are based on 180 days of service with pricing provided per vehicle type per day. The total annual cost for each contract is based on the number of routes that are in place at the beginning of each year with enrolment at each school, where students live and what school they will be attending dictating this number. Currently the district has 330 routes and busses in service each day across both of the district's existing contracts. This number is only an approximation of routes and is subject to change throughout the year as the operation becomes more efficient, routes are consolidated or split to better serve the needs of the district.

First Student has given the district three pricing options to consider. The difference in pricing is driven by the number of replacement buses provided. Currently the First Student contracts have approximately 330 buses and vehicles of varying types. The school district does not own our fleet. The fleet is owned and operated by First Student. Each year a number of these vehicles ages out of our fleet based on a 7-year requirement in our existing contract. The 2023/2024 year we will have a total of 50 vehicles that will age out of our fleet. In an effort to provide options to the district and reduce the cost of the contract the district could retain all or a portion of these

vehicles for the term of the Option contract year significantly reducing contract cost. Pricing and additional information is outlined in the tables below. It is the recommendation of the district to accept Option 1 of the First Proposal at a total cost of approximately \$30,730,883.40 at an 8.75% increase from our current year contract pricing. Moving into the RFP or BID process for the next multiyear contract this provides opportunity to further level the playing field among respondents or bidders. At the end of next year there will be an additional 60 vehicles that will age out of our fleet that will need to be replaced with new. This will represent approximately 1/3 of our existing fleet of vehicles. Any new vendor will need to come in with all new buses unless they have them available and meet district and New Haven safety and age requirements.

First Student Option Annual Cost

Annual				
	Current Year	2023-2024	2023-2024	2023-2024
		8.75%	12.00%	14.00%
		Option 1 Existing Fleet	Option 2 25 New Buses	Option 3 50 New Buses
NHPS Regular and Special Ed Busing	\$ 27,030,103.20	\$ 29,395,290.60	\$ 30,273,715.58	\$ 30,814,317.65
NHPS Special Ed & Out of Town Busing	\$ 1,228,123.80	\$ 1,335,592.80	\$ 1,375,498.66	\$ 1,400,061.13
Total For Year	\$ 28,258,227.00	\$ 30,730,883.40	\$ 31,649,214.24	\$ 32,214,378.78

Difference From Current Contract Pricing				
		2023-2024	2023-2024	2023-2024
		8.75%	12.00%	14.00%
		Option 1 Existing Fleet	Option 2 25 New Buses	Option 3 50 New Buses
	Contract Extention	\$ 30,730,883.40	\$ 31,649,214.24	\$ 32,214,378.78
	Current Year	\$ 28,258,227.00	\$ 28,258,227.00	\$ 28,258,227.00
		8.75%	12.00%	14.00%
	\$ Difference	\$ 2,472,656.40	\$ 3,390,987.24	\$ 3,956,151.78

Contract Wage History and Projections
Additional items to note

	2018-2019	2019-2020*	2020-2021	2021-2022	2022-2023	Projected 2023-2024
Range						
STEP 1	\$16.96	\$17.30	\$17.90	\$18.80	\$20.72	\$21.34
STEP 2	\$17.12	\$17.46	\$18.38	\$19.30	\$21.27	\$21.91
STEP 3	\$17.22	\$17.56	\$18.52	\$19.63	\$22.04	\$22.70
STEP 4	\$17.32	\$17.67	\$20.48	\$21.71	\$23.71	\$24.42
STEP 5	\$17.46	\$17.81	\$25.37	\$26.38	\$29.00	\$31.00
STEP 6	\$19.69	\$20.08				
STEP 7	\$23.80	\$24.75				
		* Eliminated two steps in school year 2020-2021				

- An increase in driver wages of 49% since 2018, 7.6% year over year to help recruit and retain drivers
- Added Holidays and annual driver attendance and safety bonus' effective September 2022 (\$250K annually)
- Worker's Compensation and Liability Insurance costs almost doubled since 2018 and 7% year over year
- Facility costs have increased 19%, including additional security to prevent catalytic converter theft
- Fleet Cost---A typical Type C (large yellow school bus) has increased from \$83K to \$95K, or 15%, since FY 2021
- CPI has averaged over 5% last 3 years
- Maintenance Labor Expense is increasing by 44% due to increasing wages, benefit & retirement contributions

Daily Rates per Vehicle Type

NHPS Regular and Special Ed Busing		Contract # 21547				
School Year	Contract Year Pricing 2022 - 2023	Current Number in Operation	2023-2024	2023-2024	2023-2024	
			Existing Fleet	25 New Buses	50 New Buses	
Cost per Type 1 Bus /10 hrs	\$ 585.48	29	\$ 636.71	\$ 655.74	\$ 667.45	
Cost per Type 1 Lift Vehicle /10 hrs	\$ 588.92	0	\$ 640.45	\$ 659.59	\$ 671.37	
Cost per Type 2 Bus per day / (6 hrs)	\$ 448.89	48	\$ 488.17	\$ 502.76	\$ 511.73	
Cost per Type 2 Lift Vehicle/ 6hrs	\$ 463.16	10	\$ 503.69	\$ 518.74	\$ 528.00	
Cost per Type 1 Bus per day (6 hrs)	\$ 461.25	232	\$ 501.61	\$ 516.60	\$ 525.83	
Cost per Type 1 Lift Vehicle / 6 hrs	\$ 464.81	0	\$ 505.48	\$ 520.59	\$ 529.88	
Cost per Type 2 Bus per day/ 5 hrs	\$ 429.77	0	\$ 467.37	\$ 481.34	\$ 489.94	
Cost per 9 Passenger Van / 6 hrs	\$ 409.86	0	\$ 445.72	\$ 459.04	\$ 467.24	
Overtime/per hr	\$ 56.24		\$ 61.16	\$ 62.99	\$ 64.11	
Bus Aids/Per Hr	\$ 43.81		\$ 46.00	\$ 46.00	\$ 46.00	

Current and Proposed

NHPS Special Ed and Out of Town Busing		Contract # 21548				
Sped Contract	Contract Year Pricing 2022 - 2023	Current Number in Operation	2023-2024	2023-2024	2023-2024	
			Fleet	Buses	Buses	
Type II lift- Wheel Chair capacity of 3- 6hrs	570.92	11	\$ 620.88	\$ 639.43	\$ 650.85	
7 Passenger Van / 6hrs	542.79	1	\$ 590.28	\$ 607.92	\$ 618.78	
Type II Lift / 6hrs	559.68		\$ 614.25	\$ 626.84	\$ 638.04	