

**Lamorinda School Bus Transportation Agency**  
**Regular Meeting AGENDA**  
**DATE: June 12, 2018 TIME: 1:00 p.m.**  
City of Lafayette, 3675 Mt. Diablo Blvd., Lafayette CA  
Conference Room 240 (Second Floor)

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- 1) CALL TO ORDER
- 2) ADOPTION OF AGENDA
- 3) PUBLIC COMMENT – items not on the agenda
- 4) ADOPTION OF MINUTES – May 8, 2018
- 5) OLD BUSINESS
  - a. Request for Proposal for Transportation Services Starting 2019  
Recommendation: Approve Request for Proposal for Distribution on July 9, 2018
- 6) NEW BUSINESS
  - b. Update on AB-1912 - Public employees' retirement: joint powers agreements: liability
- 7) LATE BUS REPORTS
- 8) CHAIR AND BOARD MEMBERS' REPORTS
- 9) WRITTEN COMMUNICATIONS
  - a. Submittal from Serge Millman, Sourcing Advisors Group
- 10) NEXT MEETING DATE - tbd
- 11) ADJOURNMENT

I, Juliet Hansen, declare under penalty of perjury, that this agenda has been posted at least 72 hours in advance in the following locations: City of Lafayette Offices, 3675 Mt. Diablo Blvd., in the glass case downstairs, Lafayette, CA.

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Juliet Hansen, Program Manager

\*Any writings or documents pertaining to an open session item provided to a majority of the LSBTA less than 72 hours prior to the meeting shall be made available for public inspection at the Lamorinda School Bus Program office at 3675 Mt. Diablo Blvd., Suite 255, Lafayette CA during normal business hours. Agendas and packets are available for review by the public during regular Monday – Friday work hours at the Lamorinda School Bus Program office at 3675 Mt. Diablo Blvd., Suite 255, Lafayette CA and on the website at [www.lamorindaschoolbus.org](http://www.lamorindaschoolbus.org). Agendas and packets shall be made available at least 72 hours in advance of each meeting. Upon request this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the ADA Act of 1990 (42 U.S.D. Sec. 12132). Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Juliet Hansen, Program Manager, at 925-299-3216 at least 48 hours before the meeting if possible.

# Lamorinda School Bus Transportation Agency

## DRAFT MINUTES

City of Lafayette Offices  
3675 Mt. Diablo Blvd.,  
Lafayette, CA 94549

Date: May 8, 2018  
Time: 12:30 PM

Present: Chair Tatzin, Vice Chair Worth and Board Members Gerson, Kendzierski, Fritzký, Rossiter.

Absent: Board Member O'Donnell.

Also Present: Larry Theis, Orinda Public Works Director; Henry Cooper and Gary Hein, First Student; Juliet Hansen and Sue Graves, LSBP Staff; Jennifer Wakeman, City of Lafayette Financial Services Manager; Mala Subramanian, LSBTA General Counsel.

1. Call to Order: The meeting was called to order at 12:30 p.m.
2. Adoption of Agenda: The agenda was adopted M/S/C/U (Worth/Fritzký).
3. Public Comment: None
4. Approval of Minutes: The minutes of January 8, 2018 were adopted as written. M/S/C/U (Fritzký/Kendzierski).
5. Old Business

- a. Update on Drivers and Operation – First Student

Henry Cooper from First Student stated that operations are running smoothly. They continue to recruit and train new drivers.

6. New Business

- a. Auditor's Report from Maze and Associates FY 2016-17

Jennifer Wakeman presented the Auditor's Report for the Board.

There M/S/C/U (Gerson/Kendzierski) to accept the Auditor's Report for FY 2016-17

- b. Adopt Budget for FY 2018-19

Ms. Hansen presented the proposed budget for FY 2018-19 to the Board. She reported that the allocation of funds from Measure J will be less than was originally estimated by the CCTA. She also reported that the DOE funding forwarded to the program from the Moraga School District will now remain with the MSD. Board Member Kendzierski confirmed that MSD will use the funds for special education transportation going forward. Ms. Hansen also stated that staff is recommending an

increase in One Trip Passes from \$3 to \$4 for the coming school year. The last time the price was increased was in 2006.

Board Member Gerson asked if the program has established a target reserve and Ms. Hansen replied no. Chair Tatzin stated that in the past when reserves dipped too low the program reduced the number of buses and when revenues increased the program added buses. He requested that the issue of a reserve policy be placed on the next meeting agenda.

There were several comments from the public. Anja Luthje commented that the program should receive less Measure J money for traffic mitigation because the traffic along Camino Pablo around Wagner Ranch is very bad. She also stated due to the cancellation of Route 18 some children no longer benefit from this program.

Laura Allaire, Wagner Ranch Parent Liaison, asked when parents would be informed of the increase and what about the old passes. Ms. Graves responded that staff would inform parents by email and through the schools and that the \$3 passes would be accepted for the 2018-19 school year but not beyond.

Matt Taylor asked about whether the CCTA does an additional distribution of funds if sales tax revenues increase and Ms. Hansen responded in the affirmative.

There M/S/C/U (Gerson/Worth) to adopt the Proposed Budget for FY 2017-18, to increase the price of One Trip Passes from \$3 to \$4 and to approve Resolution 18-1 re: Transfer Fees to the City of Lafayette.

c. Request for Proposal (A) and (B) for Transportation Services Starting fall 2019

Ms. Hansen presented the draft Request for Proposal (A) and (B) for Transportation services starting in fall 2019. She reviewed that the Orinda subcommittee requested that the RFP subcommittee consider a provision which would allow bidders to bid on the "old" routes 11, 13 and 18. RFP A allows proposers to bid on the current routes. RFP B allows proposers to bid on the old routes 11, 13 and 18 as reconfigured.

Board Member Fritzkly asked if it was necessary to require new buses. Ms. Hansen stated yes the program needs new buses because the buses are ten years old and starting to break down. Board Member Fritzkly asked for a clarification regarding Manufacturer Names in the RFP. Ms. Hansen stated that bidders are not restricted to a particular manufacturer in their bid because it may find another manufacturer of equal quality to substitute.

Vice Chair Worth asked why the proposals are separate as she thought the intention was to have one proposal with an addendum. Ms. Subramanian stated that it was easier to have two proposals but that it could be written as one. Vice Chair Worth stated that a mandatory pre-bid meeting for all bidders was encouraged. She also questioned the supplemental questions in Proposal B and stated that the questions should apply to all routes. Board Member Rossiter asked why not only use the 2016-17 routes in the proposal. Ms. Hansen stated that would preclude First Student from bidding and since there are only a small number of school bus providers (3-4), the LSBTA should not eliminate competition.

Chair Tatzin opened the floor for public comment. Serge Milman, a resident of Lafayette, offered his services to prepare the RFP. Several residents of Orinda spoke. Michelle Swaney stated that she would like to see Routes 11, 13 and 18 restored. She stated that the supplemental questions discourage bidders from considering restoring the old routes. Anja Luthje stated that it is time consuming to drive to Wagner Ranch. She stated that she sees children walking on El Toyonal and that the corner of El Toyonal and Camino Pablo is unsafe. She requested the the Board consider one RFP. Amy Roach asked that the Board consider delaying the RFP until the City of Orinda can deal with traffic issues. Matt Taylor stated that he was surprised by the suspension of the Route 18 this year. He stated that the Board should allow the vendors to indicate how they would provide service. Carol Yee concurred that it should be one RFP. She also stated that it is safer to have the kids on the bus than walking. Laura Allaire and Rebekah Evans also supported one RFP and using the 16-17 routes for routes 11, 13 and 18.

Board Member Fritzky asked about the timeline is for the RFP process. Larry Theis, Orinda Public Works Director, suggested that it would be better to have one RFP with two options rather than to bid and potentially re-bid.

Chair Tatzin summarized that the preference is for one RFP with an alternate bid. The base RFP would include the old Orinda routes 11, 13 and 18 from 16-17 with the 17-18 routes for 11, 13 and 18 as an alternative. The supplemental questions would be in reference to all routes. Vice Chair Worth requested that the RFP have neutral language.

By consensus, the RFP subcommittee will be Tatzin, Worth and Gerson going forward.

7. Late Bus Report:

There M/S/C/U (Fritzky / Kendzierski) to accept the late bus reports for January through April 2018.

8. Chair and Board Members' Reports: None.

9. Written Communications: No Discussion.

10. Next Meeting Date: RFP Subcommittee – Wednesday May 16, 2018 at 8:30 AM; LSBTA Board Meeting - Tuesday June 12, 2018 at 1 PM

11. Adjournment: The meeting was adjourned at 2:08 pm.

Respectfully Submitted,

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Sue Graves, Administrative Aide

Lamorinda School Bus Program  
Staff Report

Date: June 8, 2018  
To: Lamorinda School Bus Transportation Agency  
From: Juliet Hansen, Program Manager  
Re: Request for Proposal for Transportation Services Starting fall 2019

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Background

At the last LSBTA meeting on May 8, 2018, the board directed staff to develop one RFP with alternatives for bidding on 22 base routes or 22 alternate routes. The RFP attached fulfills this request. The base routes include the "old" Orinda routes 11, 13 and 18. The alternate routes include the routes as currently operated.

Discussion

As written, proposers can bid on 22 base routes, 22 alternate routes, or both. Note that because some bus stops were eliminated due to inadequate sight distance, the "old" Orinda routes 11, 13 and 18 are slightly different than they were originally. Schedules and routes are included in Exhibit D and Exhibit E.

The RFP specifies brand new school buses and a five year contract. If submitting a proposal for the base routes, proposers may choose the bus type, size and number of buses to serve the three "old" Orinda routes. The contract has significant changes in the indemnification section as recommended by legal counsel.

The schedule in the RFP is as follows:

Request for Proposals Issued	July 9, 2018
Mandatory Proposer's Conference	July 13, 2018
Last Day to Submit Questions	July 31, 2018
Proposals Due	August 8, 2018
Interview/Presentation	August 14, 2018
Tentative Award of Contract	September 2018

At the request of Mr. Serge Millman, LSBP Staff and Chair Tatzin met with him on June 5, 2018. Mr. Millman provided suggestions for the RFP process as outlined in Item 9 a. Written Communications. One suggestion is to increase the number of vendors in order to solicit more competition. Staff is developing an expanded vendor list and has already contacted an additional ten school bus companies. The RFP subcommittee will meet at 12:15 p.m. just prior to the LSBTA meeting.

The LSBTA should:

- Discuss the RFP and transportation contract
- Establish dates for release of RFP, proposer's conference, etc.
- Appoint a subcommittee to review proposals and interview bidders

Recommendation

Approve RFP for Distribution on July 9, 2018; direct staff.

LAMORINDA LATE BUS REPORT  
 2017 - 2018  
 MAY

6/8/2018

DATE	ROUTE	SCHOOL	Bell or Pick Time	Time Arrived	EXPLANATION	Liquidated Damages	Called LSBP
7-May	317	OIS	8:30	8:55	Bus had coolant leak. Covered by 16,15	\$222.63	Yes
22-May	319	OIS	8:30	9:43	Bus hit Mail Box had to wait for CHP	\$445.26	Yes
24-May	305	JM / Rheem	12:45	DNF	Forgot early outs. Covered by 301,302	\$667.89	Yes
31-May	312	OIS	8:00	8:17	Cover driver misread route directions	\$445.26	Yes
					Total	\$1,781.04	



## Lamorinda School Bus RFP

### Background

1. Status quo will bankrupt the program within 2-3 years
  - FY16/17 generated \$125k loss, with \$551k in available reserves
  - FY17/18 generated \$132k loss, with \$419k in available reserves
  - FY18/19f forecasts \$150k loss, with \$270k in available reserves
  
2. FY18/19 funding gap would have required >25% price increase
  - Parent Contribution is currently about 33% of total funding and is the only revenue source that can be increased
  - A minimum of 25% Parent Contribution increase would have been required to meet FY18/19 forecasted funding gap (see xls), assuming that no parent drops the service
  
3. FY19/20 will require >100% price increase based on \$575k in additional annual costs
  - Restoring the 3 Orinda routes is estimated to increase operating losses by \$165k (see xls)
  - \$410k additional costs based on anticipated price increase in First Student contract renewal (based on San Ramon's 20% price increase experience)
  - 100% increase in Parent Contribution will be required to fund \$575k in additional costs (see xls). A much higher price increase will be required if significant number of parents drop the service (which could reasonably be expected with a 100% price increase)

### RFP Objective

- Maintain / improve service quality
- Cost reduction from current state; or at least minimize expected 20% price increase
- Ensure that LSBTA continues as a going-concern

### RFP Observations & Recommendations

#### 1) RFP size

the total scope of the opportunity - \$1.8 million annual contract - is far too small to interest multi-billion-dollar entities. Even at a 5/10-yr term, is unlikely to create enough interest to drive aggressive bidding (pricing and SLAs). Prime evidence of this is the recent San Ramon Valley SD (aka TRAFFIX) school bus bid: slightly largely opportunity than LSB but only 2 bidders and 20%+ price increase

#### Objective:

- a) Increase size of RFP scope to enhance the attractiveness of the opportunity to vendors



- b) Create material incentive for incumbent vendors to protect their business with aggressive bids

Recommendations:

- a) partner with San Ramon and / or CCCOE spec ed bus service
- b) explore partnerships with other School Bus Transportation Agencies in the Bay Area

2) One vs multiple RFPs? To include 3 Orinda routes or not?

My experience suggests that issuing more than 1 RFP on the same scope will be very confusing to the vendors; furthermore, placing incremental requirements for a small subset of routes will likely result in no-bid on those routes. Finally, serious consideration should be paid to the effort and resource investment that is being asked for the vendors to respond to the RFP —as it stands, this is a very small deal for the large national vendors; asking for inordinate amount of investment is likely to result in a complete no-bid or bids with exorbitant pricing.

Recommendation:

- a) There ought to be a single RFP, which requires vendors to price each route individually (more discussion in pricing structure section)

3) Number and diversity of bidding vendors

It is a concern that there are only 4 anticipated vendors, including an incumbent and another high-price vendor. A concentrated effort can / should identify many other potential vendors.

Objective:

- a) Increasing the number of bidders will provide valuable price discovery, and create a credible threat of switching to the incumbent

Recommendations:

- a) Include Tier 1 school bus providers
  - a. First Student (Incumbent)
  - b. Student Transportation
  - c. National Express (aka Durham)
- b) Including niche/regional/local school bus providers
  - a. Michaels Transport Service
  - b. CYO Transportation
  - c. DeSoto
  - d. ... identify 5-10 other providers
- c) Determine if school districts with in-house School Bus service would act as a service provider to LSBTA (for example, Mt Diablo SD)





- d) Explore opportunity to use corporate transportation providers (eg. Corporate bus providers such as those used by Genentech, Google, Visa, etc.)

#### 4) Pricing Structure

The pricing structure should be sufficiently detailed to compare service costs across vendor bids. Further, different service models should be priced. Back of the envelope cost estimate suggests that fair value of current contract should be \$1.5M – indicating a potential ~\$300k savings (see xls).

Recommendations:

- a) Pricing should be required for individual routes
- b) Pricing should be disaggregated to include specific pricing levels for factors including
  - a. Bus lease
  - b. Staff – bus drivers
  - c. Staff – maintenance staff allocation
  - d. Bus Repair parts and equipment allocation
  - e. Staff – customer support
  - f. Fuel
  - g. Insurance
  - h. Other (including profit)
- c) Pricing models to be bid could include:
  - a. Completely outsourced model (similar to current)
  - b. Service only (wherein buses are purchased by the LASBTA and leased to service provider)

#### 5) Route and other key documentation

Best results occur when RFPs are explicit about requirements, which in this case should include routes, route stops, potential challenges.

Recommendation:

- a) Provide specific requirements that vendors are expected to follow (and price)

#### 6) Service Level Agreements (SLAs)

It is obvious that there are current SLAs in place (there was a discussion about penalties related to late buses), but I did not see those spelled out explicitly in the RFP, and I don't recall seeing financial penalties identified with breaking these SLAs.

Objective:



- a) Provide crystal-clear expectations to vendors about service quality and other requirements
- b) Provide clarity of penalties associated with SLA breaks
- c) Ensure that SLAs reflect a material impact to the vendor's monthly fees
- d) Provide a mechanism for vendors to 'earn-back' accrued SLA penalties

Recommendations:

- a) Include at-risk amount (5%-10% of controllable fees; eg. excluding bus/fuel/insurance costs)
- b) Provide specific SLAs and SLA penalties (including bench drivers, contingency measures (eg. what happens if bus breaks-down; what happens if scheduled driver does not show up,), etc.)
- c) Define earn-back mechanisms

7) Governance Model

Explicitly define governance model, including day-to-day operations / communications, as well as contractual / financial discussions (usually different people on the vendors and buyer's side)

8) Other considerations

- a. Alternative fuel buses & various credits  
(<http://www.energy.ca.gov/transportation/schoolbus/>,  
<https://www.cde.ca.gov/fg/fo/r14/smschbus06result.asp>,  
<https://www.cde.ca.gov/fg/aa/ca/smallschdistcoebus.asp>,  
<https://www.cde.ca.gov/fg/fo/r14/ssdcoebr09rfa.asp> )
- b. Right-sizing buses to demand (# students riding on buses)
- c.

...

Other info:

- List of orgs: <https://www.cde.ca.gov/ls/tn/or/links.asp>
- CA Dept of Transportation- call with Questions: <https://www.cde.ca.gov/ls/tn/or/>
-