

# CORPORATE SERVICES, STRATEGIC PLANNING AND PROPERTY COMMITTEE

## STUDENT TRANSPORTATION CONTRACT AWARDS

"And people will come from east and west, and from north and south, and recline at table in the kingdom of God."

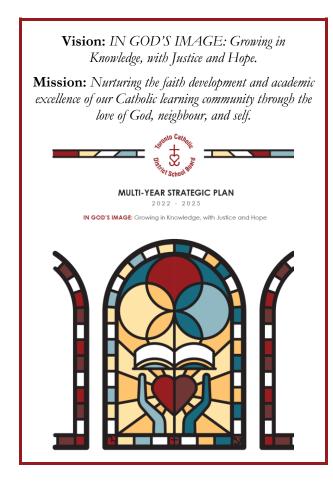
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Drafted Meeting Date

May 29, 2023 June 8, 2023

M. Loberto, Superintendent, Planning and Development Services

#### RECOMMENDATION REPORT



Brendan Browne
Director of Education

Adrian Della Mora Associate Director of Academic Affairs & Chief Operating Officer

Derek Boyce

Associate Director of Corporate Services and Chief Commercial Officer

Ryan Putnam Chief Financial Officer and Treasurer

### A. EXECUTIVE SUMMARY

This report recommends that the Board approve the contract awards for student transportation services as outlined in the attached Toronto Student Transportation Group (TSTG) report (*Appendix 'A'*). The attached report was approved by the TSTG Governance Committee on May 24, 2023.

The Request for Tender (RFT) closed in April 2023 to secure bids for student transportation services beginning in September 2024 that provide fair value in terms of minimizing costs while also maintaining the required level of service. The contract prices outlined in the TSTG report are higher than the existing rates.

The approval of the award allows sufficient time to work with operators to address issues in advance of the beginning of the new transportation contract.

The cumulative staff time required to prepare this report was 7 hours.

#### B. BACKGROUND

- 1. The existing student transportation operator contracts conclude at the end of a five-year contract and two one-year extensions in August 2024. The TCDSB and TDSB alternate responsibility for the procurement of student transportation contracts. The TCDSB was responsible for the current procurement process.
- 2. In advance of initiating the procurement process for the new contract, TSTG completed a consultation process involving Trustees, transportation staff, and current school bus providers to develop a new procurement document that would enhance the level of service provided to school communities.
- 3. The Request for Tender (RFT) closed on April 14, 2023 to secure bids for student transportation services for a period of six years, beginning in September 2024 with two, two-year optional extensions. Nine vendors submitted proposals, including seven operators currently providing transportation services to the TSTG.
- 4. The contract award process was designed to ensure that companies had well-defined plans and processes in place to meet the needs of stakeholders. A focus in the new contract was also to seek that operators secure electric school buses and infrastructure to meet forthcoming government requirements and school board environmental stewardship objectives.

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## C. EVIDENCE/RESEARCH/ANALYSIS

- 1. Appendix 'A' provides a report approved by the TSTG Governance Committee on May 24, 2023 recommending to both school boards transportation contract awards based on the results of the tendering process and evaluations of bids. The TDSB is seeking approval of the transportation contract awards at the June 1, 2023, meeting of its Finance, Budget, and Enrolment Committee.
- 2. The prices are higher than current rates and will continue to create budgetary pressures on student transportation. Market conditions have negatively impacted the school bus industry in recent years. The main factors in price determination include increases in driver wages and the cost of purchasing new school buses. Increasing wages is necessary to ensure successful driver recruitment and retention. There is an estimated 12.5% increase in cost to the TCDSB in the first year of the contract. In comparison, there was an overall 9% increase to both boards in the previous contract award in 2016.
- 3. The new student transportation funding formula incorporates revised benchmarks for transportation grants related to the purchase of new gasoline/diesel school buses. The TDSB and TCDSB should consider advocating to the Ministry of Education to include a benchmark for electric school buses in the formula. This inclusion would eliminate the need for the school boards to incur additional costs related to electric buses and encourage their implementation without financial barriers.

#### D. METRICS AND ACCOUNTABILITY

- 1. To enhance service and address ongoing issues, the following measures will be implemented prior to the start of the new contract as detailed in the attached report.
  - Provision of Specific Routes
  - Pre-Contract Meetings
  - Weekly Driver Status Updates
  - Timely Driver Pool Assessment
  - Operator Readiness Confirmation
  - Simulation Day
  - Improved Communication for Special Needs Transportation

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Collaboration with School Principals

The approval of the contract award fourteen months in advance of the start date provides sufficient time to work with school bus operators to address issues.

### E. RECOMMENDATIONS

That the Board approve the following recommendations approved by the TSTG Governance Committee on May 24, 2023:

1. That the Toronto Student Transportation Group recommend member School Boards enter into contracts for the provision of transportation services for a six-year period with two, two-year optional extensions based on terms and conditions set out in the Request for Tender commencing September 1, 2024, with the following School Bus Operators:

Attridge Transportation
First Student Canada
Landmark Transportation
Sharp Transportation
Stock Transportation
Switzer-Carty Transportation
Voyago Transportation
Wheelchair Accessible Transit

- 2. That the School Boards consider the introduction of Electric School buses for all Operators at 2% of their award to support environmental stewardship goals, meet government targets on the reduction of greenhouse gas emissions, and the overall health of students using this service.
- 3. That the School Boards lobby the Ministry of Education to amend the student transportation funding formula to include a mechanism to address the higher costs of supporting electric school buses.

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