

Out-of-District Transportation Final Report

21st Century Demonstration Project Grant
Transportation Working Group

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School District Transportation Background

In New York State, 2.5 million children ride school buses and public transport to and from school each day. Approximately 55,000 school bus drivers and 10,000 school bus monitors and attendants transport students safely daily. 50,000 school buses drive 90 million miles annually to transport New York's children. Ownership of the school bus fleet is split between local school districts (50 percent) and private companies under contract to school districts (50 percent). State Transportation Aid for the 2008-2009 School Year was approximately \$1.5 billion, while the Total Cost for School Transportation was \$2.8 billion. Transportation costs increased about five percent (\$83 million currently) each year. Public school students are 88 percent of the total number of students transported and non-public school students are 12 percent of the total. New York City students are 65 percent of the total transported statewide, while the rest of State's students are 35 percent. New York State transports 41 percent of the students attending non-public schools; most states do not provide this service to non-public students. Of the total number of students attending non-public schools, 63 percent live outside New York City and 37 percent live in New York City.¹

Education Law requires school districts to provide transportation for all eligible resident pupils in grades K-8 who live more than two miles from school and for pupils in grades 9-12 who live more than three miles from school, up to a distance of 15 miles. However, just about all school districts, with the approval of the voters, have adopted eligibility distances of less than the mandated two and three mile distances. Any changes to a district's eligibility distances, in both small city and non-city districts, require voter approval of a separate proposition. City school districts are legally required to transport pupils with disabilities only, but may also transport pupils without disabilities. In addition, city school districts are not required to transport to schools located outside the city. However, pupils residing in the enlarged portion of an enlarged city school district are entitled to transportation to schools outside the city up to 15 miles from their homes. In all cases, where transportation is provided, it must be provided in a reasonably safe, economical and efficient manner.²

Education Law requires a school district to transport students who live more than 15 miles from a nonpublic school, where a student residing within 15 miles is receiving transportation to the same school. The students residing beyond 15 miles must be transported from a centralized pickup point, which can only be a public school building. The school district may provide transportation between a student's home and the centralized pickup point only where the student's home is located on an established route leading to the centralized pickup point and where such transportation does not result in an additional cost to the district.

A board of education, at its discretion, may transport nonpublic school pupils who live beyond 15 miles, by means of a centralized pickup point, even though there are no pupils living within 15 miles, when transportation was provided to the same nonpublic school in at least one of the preceding three school years and the centralized pickup point is not more than 15 miles from the nonpublic school. Under these circumstances, a school district cannot provide transportation between the student's home and the centralized pickup point.³

¹ http://www.p12.nysed.gov/schoolbus/regional/documents/2010_status_report_of_regional_pupil_transportation_systems.pdf

² http://www.p12.nysed.gov/schoolbus/Parents/htm/general_info_intro.htm

³ http://www.p12.nysed.gov/schoolbus/Parents/htm/transportation_more_than_15_miles.htm

Education Law § 3635-2. requires that parents submit a written request to their public school district for transportation to a nonpublic school by April 1, or when not residing in the district on April 1 within 30 days after establishing residency. The purpose of this deadline is to enable school districts to budget funds and make necessary arrangements to provide reasonable and economical transportation. No late request shall be denied where a reasonable explanation is provided for the delay or where there is no additional cost to provide the transportation.⁴

Transportation Cooperative Bidding Overview

Under the provisions of General Municipal Law §119-o, school districts and BOCES may enter into cooperative agreements for provider services for other school districts, share services or jointly provide services on a cooperative or contract basis. Therefore, school districts and BOCES may procure services by cooperatively preparing specifications, advertising for and opening bids or requesting and reviewing proposals, and awarding contracts. Generally, in a cooperative bid or request for proposals (RFP), one of the parties' acts as lead participant, assuming the following responsibilities:

- ✓ Coordinating the specification writing.
- ✓ Receiving all of the bids or proposals.
- ✓ Providing a central location for opening the bids/proposals.

It should be noted that the respective responsibilities for a particular bid/RFP are at the discretion of the participating districts and BOCES. If publication is required, it is the responsibility of each participating district and BOCES to ensure that the advertisement for the solicitation of bids or proposals is placed in the "official" newspapers of the district(s). The governing body of each of the participants also is responsible for awarding the contract by resolution at a public meeting.

A cooperative bid/RFP should only seek bids/proposals for transportation to locations when there is a reasonable, good faith expectation that any of the participants could require transportation to such location during the term covered by the contract. Additionally, only those school districts and BOCES that were parties to the cooperative agreement and participated in the original cooperative bid/RFP are authorized to enter into contracts or extensions based upon the bid/RFP. School districts may enter into transportation contracts for a period not exceeding five years (see Education Law §1709[27]), so the cooperative bid/RFP should clearly state the term of the resulting contract. The contract should also specifically refer to the underlying cooperative bid/proposal, and specifically incorporate by reference the substantive terms of the bid request/RFP unless already fully set forth in the contract.

Each participating district or BOCES should enter into one contract, that includes all winning vendor(s) as parties, for any transportation services/locations reasonably anticipated during the term of the contract. A participating district or BOCES may seek an extension of the term of a contract based upon a cooperative bid/proposal, but may only extend with respect to those vendors party to the contract. An extension also may not include transportation to a location that was not included in the underlying cooperative bid/RFP. School districts and BOCES are advised to carefully consider whether participation in a cooperative bid/RFP would result in the lowest cost or most benefit to the district or BOCES. School districts and BOCES should also refer to all relevant laws and other guidance pertaining to bidding and RFP requirements.⁵

⁴ http://www.p12.nysed.gov/schoolbus/Parents/htm/late_requests.htm

⁵ http://www.p12.nysed.gov/schoolbus/Contracts/htm/cooperative_trans_bids.htm

Initiative Overview/Work Plan

The working group was tasked with achieving cost savings through cooperatively bidding contracted out-of-district transportation bus routes for Nassau County’s 56 school districts. While cooperative bidding was already taking place in five regional transportation cooperatives (Southwest, Northwest, Southeast, Northeast, and Bellmore Merrick) not all school districts were participating in a consortium and the working group believed additional efficiencies and savings could be realized through a countywide consortium that included routes from all regions of Nassau County.

Nassau County is an ideal county for out-of-district transportation cooperation for many reasons. First, Nassau County has the second largest population and school enrollment while encompassing only 285 square miles, the 4th smallest land area (not including New York City) in the state. Additionally, there are 56 school districts in Nassau County, the second most in the state. Due to the large number of enrolled students, large number of school districts, and the relatively small square mileage in which they operate, Nassau County is uniquely positioned to benefit from out-of-district transportation cooperation as the county leads the state in number of school districts per ten square miles.

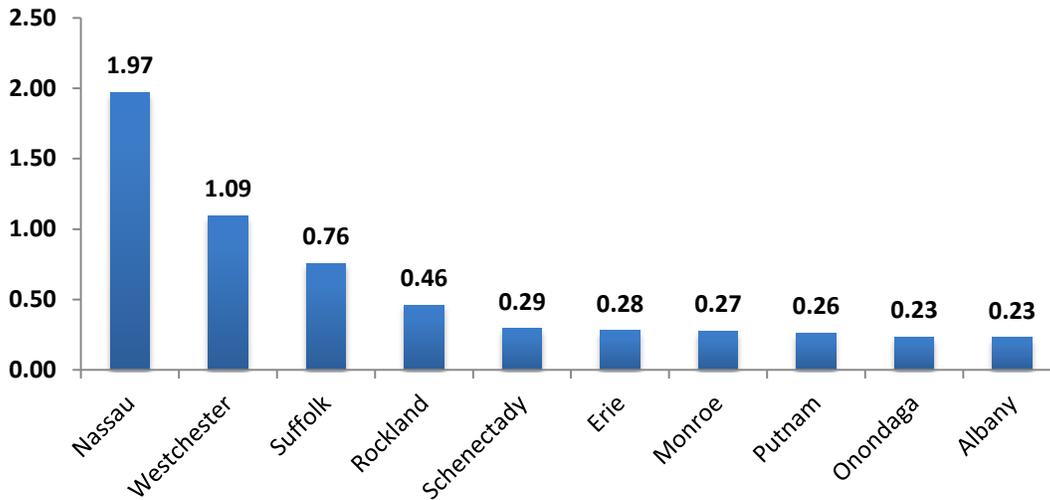
Top 10 Counties—Number of School Districts per Ten Square Miles⁶

County	Enrollment	Square Mileage	Number of School Districts	School Districts/ 10 Square Miles
Nassau	204,343	285	56	1.97
Westchester	146,332	431	47	1.09
Suffolk	253,906	912	69	0.76
Rockland	41,164	174	8	0.46
Schenectady	22,784	205	6	0.29
Erie	130,148	1,043	29	0.28
Monroe	112,671	657	18	0.27
Putnam	16,251	230	6	0.26
Onondaga	72,373	778	18	0.23
Albany	39,367	523	12	0.23
Nassau Rank of 10	2	7	2	1

Source: New York State Office of the State Comptroller

⁶ New York State Office of the State Comptroller 2010 data

Number of School Districts per 10 Square Miles—Top Ten Counties



The working group was tasked with developing a countywide cooperative bid format. The working group also worked successfully with the New York State Education Department (NYSED) to amend their interpretation of transportation piggybacking guidelines (called zero-cost contracting). The working group believes allowance of this practice will increase opportunities for wider participation in the transportation initiative and will generate Nassau County and Statewide school district savings. Zero-cost contracting permits a school district that is participating in a cooperative bid to take advantage of bid routes at a point in the future if they don't have a need for a specific service within the current school year. The ability to zero-cost contact provides additional savings opportunities to school districts participating in cooperative bids.

The working group brought together a comprehensive group of transportation and business officials along with school superintendents, school board members, and Nassau BOCES officials.⁷ Many of the transportation officials that participated on the countywide consortium had participated in other regional transportation cooperatives, a perspective that proved invaluable. Over the course of the two years the working group met regularly to discuss how to put a countywide bid together, the administration of the bid, developing the bid documentation and supporting documents, developing bid data from participating school districts, developing vital communications with participating school districts, holding meetings and develop communications with NYSED regarding transportation piggybacking regulations. Additionally the working group analyzed countywide bid results for participating school districts so that low bid vendors could be awarded.

The working group led efforts on analyzing historical spending trends and estimating the cost savings realized through the countywide cooperative and revised piggybacking regulations. The cost savings section of this report details the group's methodology and findings.

Lastly, the working group led various outreach and expansion efforts before and after the first countywide bid. Through various public forums (detailed in the community outreach chapter) and through targeted communications, the working group shared the work of the countywide transportation

⁷ Please see Appendix for a list of working group members

consortium and attempted to solicit additional interest and participation. After the second countywide transportation bid, the working group met with the regional cooperatives in an effort to maximize the routes included in the countywide bid and therefore maximize savings to all Nassau School Districts.

Historical Spending

While all school districts provide transportation to their students, both for in-district and out-of-district transportation, it was difficult to isolate out-of-district transportation spending from school district transportation spending plans and budgets. Additionally, public data regarding school district transportation spending is limited in scope. For example, the New York State Office of the State Comptroller collects a tremendous amount of self-reported aggregate revenue and expenditure data for school districts, covering the periods 1996-2010.⁸ The school district data is derived from ST-3 annual financial report forms that school districts file with the State Education Department (SED). And while this is a large and helpful data source, it does not provide the level of granularity needed to isolate out-of-district spending by school districts. The ST-3 form provides the following transportation account codes for self-reporting:

New York State Office of the State Comptroller School District Transportation Account Codes⁹

Code Description	Account Code
District Transportation Services	5510.XX
Garage Building	5530.XX
Contract Transportation	5540.4
Public Transportation	5550.4
Transportation from BOCES	5581.49

It should be noted that while the ST-3 provides a code for Contract Transportation, this includes contract transportation for both in-district and out-of-district transportation spending. Most school districts contract both of these services.

Given the lack of granular transportation spending data, in an effort to identify historical out-of-district transportation spending the study team surveyed school districts and reviewed school district budgets to estimate the average allocation of in-district and out-of district transportation spending. On average, school districts spent 45% of their transportation budgets on out-of-district transportation spending. The results of the select school district survey are below:

⁸ http://www.osc.state.ny.us/localgov/datanstat/findata/index_choice.htm

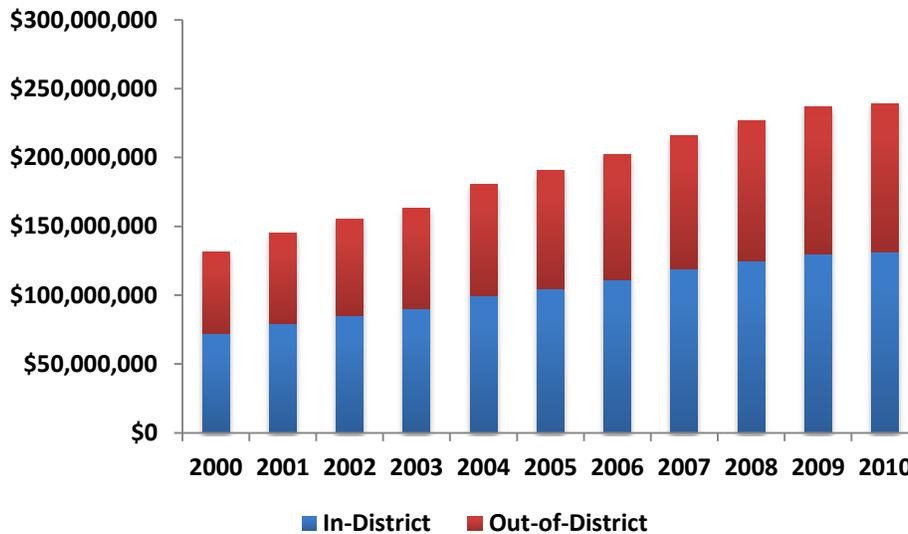
⁹ http://www.osc.state.ny.us/localgov/pubs/arm_schools.pdf

Fiscal Year 2010-11 School District Transportation Spending

School District	Total Transportation Spending	In-District/Other Transportation Spending	Out-of-District Transportation Spending	Out-of-District Transportation Spending as % of Total Transportation Spending
<i>Carle Place</i>	\$1,660,284	\$867,469	\$792,815	47.8%
<i>Great Neck</i>	\$11,873,831	\$6,340,054	\$5,533,777	46.6%
<i>Hewlett-Woodmere</i>	\$4,906,037	\$2,505,984	\$2,400,053	48.9%
<i>Hicksville</i>	\$7,965,571	\$3,612,571	\$4,353,000	54.6%
<i>Manhasset</i>	\$4,157,100	\$3,208,885	\$948,215	22.8%
<i>Port Washington</i>	\$4,380,727	\$2,450,979	\$1,929,748	44.1%
<i>Rockville Centre</i>	\$3,138,459	\$1,858,774	\$1,279,684	40.8%
<i>Roslyn</i>	\$3,965,954	\$3,443,746	\$522,208	13.2%
<i>Valley Stream Thirty</i>	\$967,500	\$387,500	\$580,000	59.9%
<i>West Hempstead</i>	\$5,140,607	\$1,498,676	\$3,641,931	70.8%
Average	\$4,815,607	\$2,617,464	\$2,198,143	45.0%

From School Year 2000 to 2010 Nassau County School District transportation increased from \$131 million to \$239 million, growing by a compounded annual growth rate of 6.2 percent.

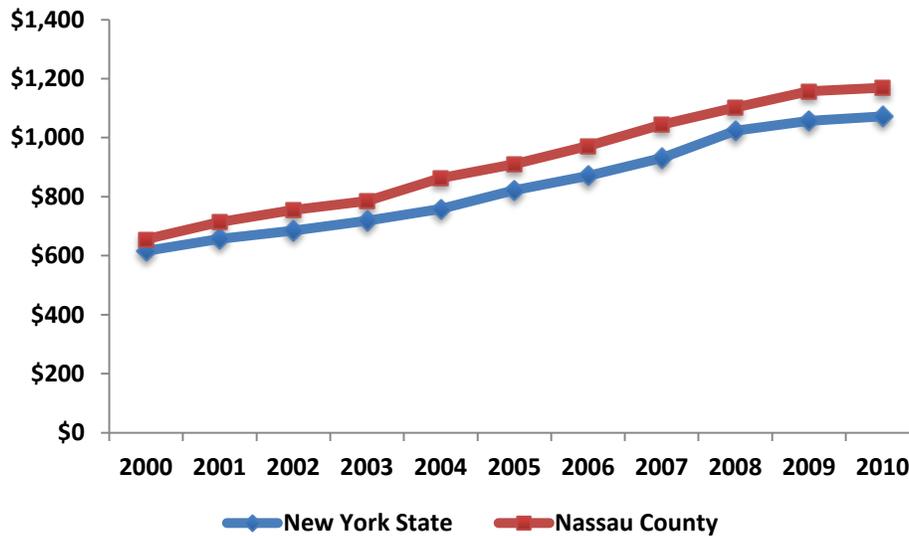
Total Nassau County School District Transportation Spending: 2000-2010¹⁰



¹⁰ In-District and Out-of-District transportation spending breakout is estimated.

As illustrated in the chart below, Nassau County transportation spending per enrolled student has marginally outpaced total New York State transportation spending per enrolled student from 2000 to 2010.

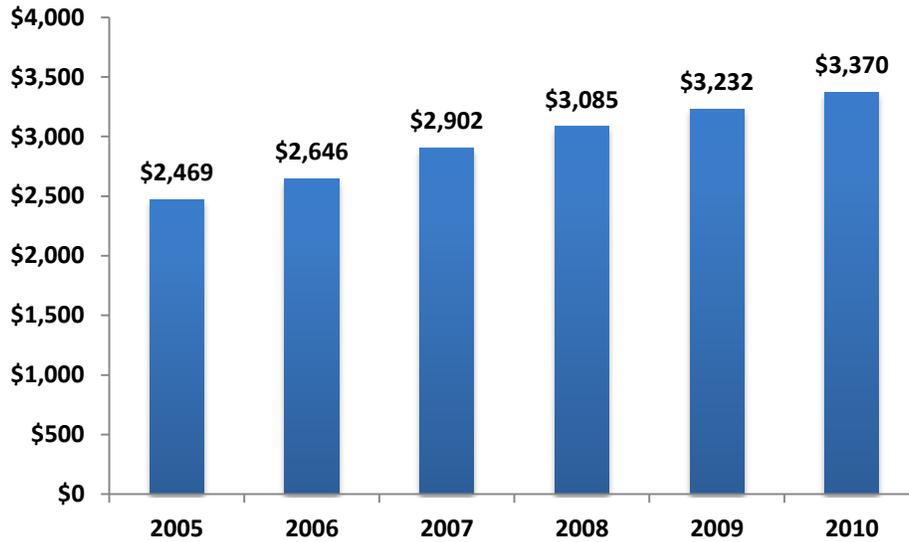
New York State and Nassau County School District Transportation Spending Per Enrolled Student: 2000-2010



Another limitation of the analysis is the lack of data regarding the number of out-of-district school students that are being transported. Publicly available sources do not provide the actual number of out-of-district school students that are provided transportation by their respective school districts. It was also determined it would not be practical to survey school districts for multi-year out-of-district transported student data given the time and resources that would be required for school districts to collect this data. The New York State Education Department does publish total school district enrollment and non-public school district enrollment. Total school district enrollment and non-public enrollment was used to normalize transportation spending over the historical multi-year period.

The Chart below details out-of-district spending per non-public school student in Nassau County. Out-of-district transportation spending per non-public school student has grown at a compound annual growth rate of 6.4 percent from 2005 to 2010. Over this time period, non-public school student enrollment declined by 8.3 percent.

Out-of-District Transportation Spending Per Non-Public School Student¹¹

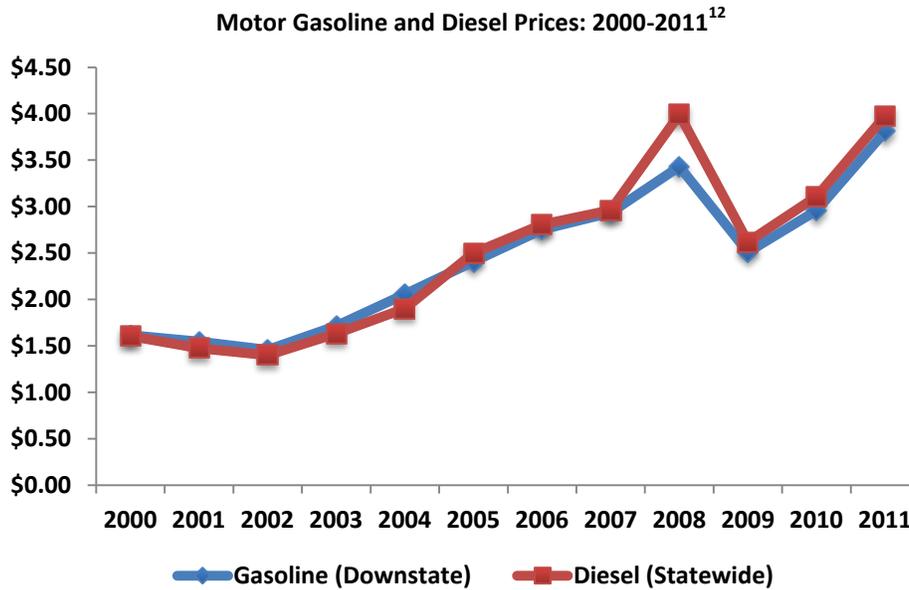


Note: The historical annual out-of-district transportation costs are estimated and the data is subject to limitations including the interpretation of expenditures and their respective codes by administrative staff and business officials when they are reporting and other validity issues of self-reported data.

¹¹ The number of students transported to non-public schools was unavailable. In absence of this data non-public enrollment data was used.

Cost Drivers

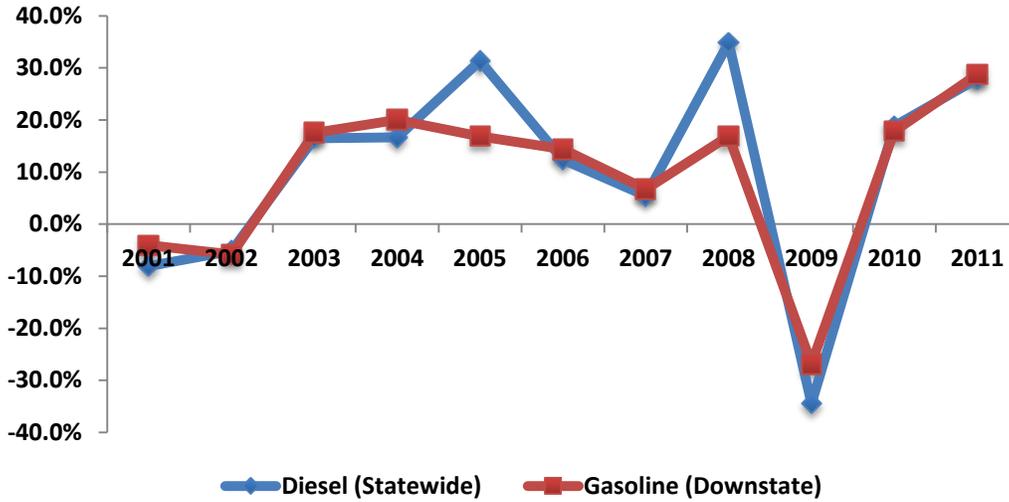
Two of the largest drivers of out-of-district transportation spending are fuel prices and non-public school enrollment. Motor gasoline and diesel costs have grown exponentially from 2000 to 2011, growing annually on average 9.3 percent and 10.6 percent respectively over this time period.



Source: New York State Energy Research and Development Authority

¹² Historical motor gasoline prices were available for downstate (includes NYC, LI, & Rockland, Westchester, Putnam counties) while historical diesel gasoline prices were only available at NY State level.

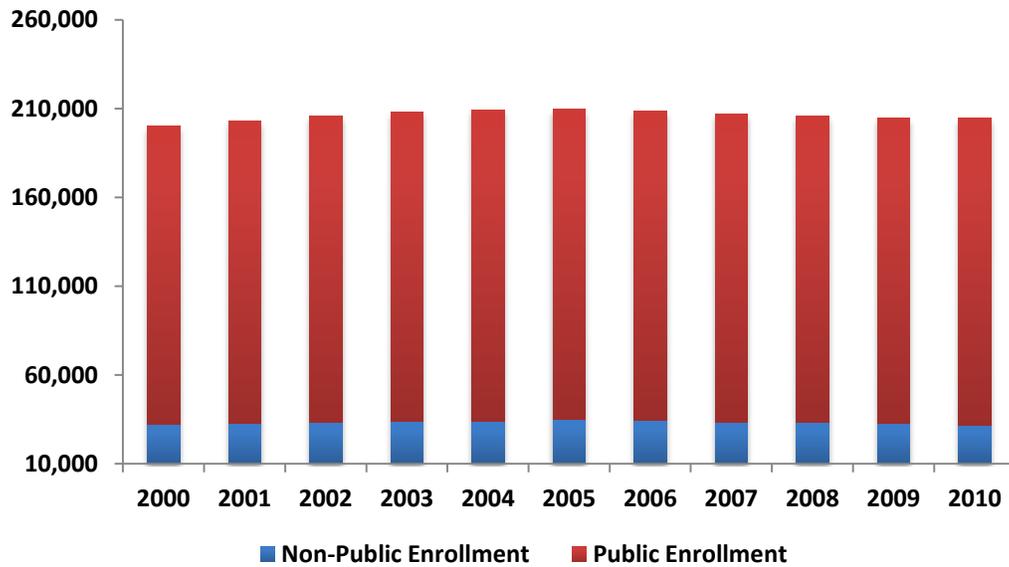
Motor Gasoline and Diesel Annual Percent Change: 2000-2011



Source: New York State Energy Research and Development Authority

While fuel prices have experienced significant cost growth and volatility from 2000 to 2011, Nassau school district public and non-public enrollment has been relatively flat through 2010. Enrollment figures for 2010 are 2.1 percent above 2000 reported enrollments.

Nassau County School District Public and Non-Public Enrollment¹³



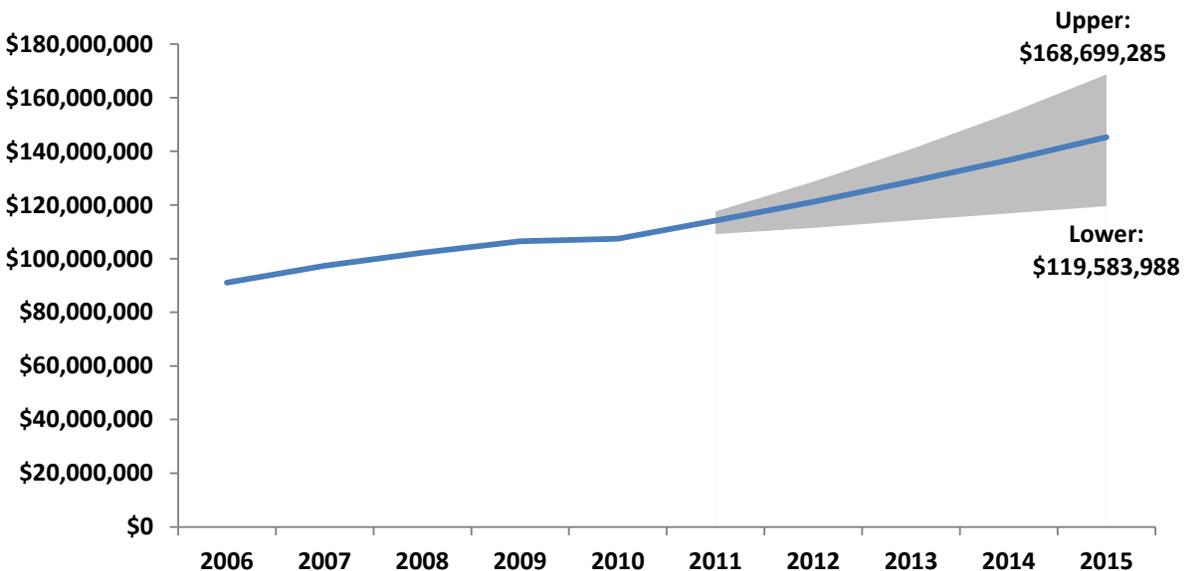
Source: New York State Office of the State Comptroller

¹³ Non-public student enrollment is estimated for fiscal year 2000 through 2004

Current Services Baseline

Baseline data indicates that out-of-district transportation expenditures have grown steadily since 2000, growing on average by 6.2 percent per year over this time period. However, out-of-district transportation expenditures for all districts could further increase or decrease in the coming years. After reviewing historical spending trends and discussing with school transportation officials, the current services baseline was developed. The baseline assumes that out-of-district transportation costs will likely continue to grow at historical rates (6.2 percent) but there are multiple aggravating and mitigating factors that could affect the baseline. Aggravating factors could lead to a high-end scenario where out-of-district transportation expenses grow at inflated rates experienced during the 2001, 2002, and 2004 school years (average of 9.4 percent) and mitigating factors could lead to lower than expected growth, more in line with the regional CPI forecast (average of 2.2 percent). Based on this methodology, total out-of-district transportation spending for Nassau County school districts may range between \$120 million and \$169 million by 2014-15.

Total Out-of-District Transportation Spending, Estimates and Forecast Range



As with any projection, numerous events and factors may affect the forecast. The projected annual change and the confidence range in the graph above acknowledge these risks and uncertainties.

Out-of-District Transportation Forecast Confidence Range High-End Scenarios: The following scenarios are possible under certain parameters, as described below, and may result in higher than estimated costs:

- Unabated growth in gasoline and diesel fuel costs drives higher per pupil transportation bids from out-of-district transportation vendors.
- Non-public school enrollment increases faster than historical trends, driving aggregate out-of-district transportation spending higher.
- Changes to non-public destination schools increases distances traveled by non-public students.

- Increased, more costly, special education enrollment requires additional non-public transportation.
- New state or local mandates provide for increased non-public school transportation eligibility.
- Other.

Out-of-District Transportation Forecast Confidence Range Low-End Scenarios: The following scenarios are possible under certain parameters, as described below, and may result in lower than estimated costs:

- Continued and expanded use of the countywide out-of-district transportation consortium provides for additional routing efficiencies and additional savings realized by participating school districts.
- Lower than forecasted gasoline and diesel fuel costs reduce per pupil transportation bid spending.
- Non-public school enrollment declines therefore resulting in fewer bid routes.
- State or local changes to mandates decrease non-public school transportation eligibility.
- Other.

Initiative Cost Savings

The transportation working group has administered three countywide out-of-district transportation bids since its inception in 2010. While the idea of the countywide cooperative was modeled after the smaller-scale regional cooperatives that have been operating in Nassau County, the working group believed even more savings could be realized through a countywide out-of-district transportation consortium. Additionally, the initiative sought to bring those school districts that were not participating in any of the regional cooperatives into a cooperative bidding structure. Given that other regional consortia were already in operation at the time of inception, the savings sought to be realized needed to be in excess of what could have been realized by participating in the regional consortia. To identify savings realized by the countywide consortium, participants the study team conducted a review and comparative analysis of the bid results achieved by each of the regional cooperatives to those results of the countywide cooperative.

Cost Savings Methodology

The study team collected four years (2008-09 through 2011-12) of bid results data from the four regional cooperatives and compiled a master bid database. It was important to collect prior year bid data because most school districts do not bid the same routes every year for multiple reasons. First, non-public school students enter and leave school district boundaries every year so the composition of non-public destination schools is often changing. Second, school districts are permitted to extend prior year transportation contracts at the published CPI and therefore school districts often enter into multi-year contracts with vendors and may not rebid an often-used route more than once every few years. Given these factors, the study team collected bid data from a multi-year period and since the first countywide bid occurred for the 2010-11 school year the routes for the entire bid database were normalized for 2010-11 and for 2011-12 (for the second year bid). This normalization process included normalizing everything to 2010-11 dollars by inflating by the published CPI used by SED.¹⁴

¹⁴ http://www.p12.nysed.gov/schoolbus/Contracts/html/consumer_price_index.html

To identify savings, the study team compared the bid routes of the countywide cooperative to those of bid routes in the regional cooperatives. Only routes that had comparable characteristics and pricing structures were used in the analysis. Additionally, only routes that had similar origination locations were used in the analysis. Under these comparability restrictions it was not surprisingly difficult to find cost comparisons but the working group was able to find enough comparisons to draw conclusions about the performance of the countywide cooperative. The following tables detail the results of the two countywide transportation bids.

2010-11 Countywide Bid Comparative Analysis

		Monthly	Annual (10 months)
Total Routes Bid out	269		
Total Routes Awarded in Countywide Bid	153		
% of Routes Awarded	57%		
Total Routes Matched	40		
% of Awarded Routes Matched	26%		
Total Net Savings of Routes Matched		\$5,405	\$54,050
Prorated Savings Estimation		\$20,674	\$206,741
Average Savings Per Awarded Route		\$135	\$1,351



2011-12 Countywide Bid Comparative Analysis

		Monthly	Annual (10 Months)
Total Routes Bid Out	120		
Total Routes Awarded in Countywide Bid	96		
% of Routes Awarded	80%		
Total Routes Matched	13		
% of Routes Matched	14%		
Total Net Savings of Routes Matched		\$1,963	\$19,626
Prorated Savings / (Loss) Estimation		\$14,493	\$144,930
Average Savings Per Awarded Route		\$151	\$1,510



The average savings per awarded route for the 2010-11 and 2011-12 bid was approximately \$1,400 per pupil per year as compared to the regional cooperatives. While there are many variables that will affect the exact savings, the two-year analysis indicates that a pattern of additional savings has been realized through the countywide bid platform.

For the 2012-13 countywide out-of-district transportation bid the transportation working group surveyed the participating school districts and requested they identify which routes were awarded under the bid and if they realized savings from the bid. Based on the self-reported savings data it is estimated that the 2012-13 bid provided approximately \$515,000 in savings.

Estimated Savings by Region: 2012-13 Countywide Out-of-District Transportation Bid

Region	# of Pupils Transported	Total Savings
1	39	\$74,188
2	52	\$158,442
3	20	\$1,876
4	24	\$201,891
5	25	\$77,910
Total	160	\$514,308

As described earlier in the report, the working group successfully pursued a new state interpretation regarding cooperative purchasing zero-cost contracting for transportation contracts. In an effort to quantify the potential savings of the new piggybacking interpretation, the study team reviewed historical bid data to identify historical bid routes that would have benefited from piggybacking opportunities. This involved reviewing the regional cooperative bid data and identifying routes that were bid in consecutive years with the same number of students but likely could have been extended at CPI if piggybacking was allowed and utilized. The results of this analysis are detailed in the table below:

Zero-Cost Contracting Opportunity Analysis Summary¹⁵

Number of Routes	21
Median % Change	40.4%
Average Per Pupil Transportation Cost Monthly (2012)	\$1,142
Average Per Pupil Transportation Cost Annually	\$11,421
Average Routes Benefiting from Piggybacking per School District	1
Nassau School Districts	56
Estimated Annual Piggybacking Savings	\$258,110

Through the working group’s analysis, there were 21 historical routes that were identified as likely being able to have used piggybacking if this practice was permitted and legally employed. Of this sample, the median annual percent change (net of CPI) was 40.4%. Therefore, these instances incurred per pupil price increases of approximately 40%. From 1990 to 2011, May CPI averaged 3%.¹⁶ While the data was not available to estimate the exact number of instances where school districts could have employed piggybacking, for the purposes of this analysis it was assumed that on average school districts would have used it once per year. Under this assumption, and assuming the average out-of-district per pupil transportation cost in 2012, Nassau County school districts could save around \$250,000 per year under new piggybacking interpretations. It should be noted there are many factors that will influence the actual savings realized by school districts, including but not limited to:

¹⁵ The complete analysis can be found in the appendix.

¹⁶ http://www.p12.nysed.gov/schoolbus/Contracts/htm/Consumer_price_index.htm.

- Current school district transportation contracts.
- Destination schools for non-public school students.
- Participation in regional or countywide bids.
- Other factors.

Multi-year Out-of-district Transportation Savings

Throughout this three-year initiative and based on the cost savings methodologies described above it is estimated that countywide out-of-district transportation participants have saved collectively over a million dollars. The transportation working group believes that these savings will continue into the future and will likely grow as more school districts participate in the bid.

Lessons Learned and Recommendations

Throughout the two year process the working group has worked hard to make improvements to the countywide consortium to attract additional school participants and increases savings. Key lessons learned and recommendations include:

Appropriate Initiative Leadership. When the initiative first started the countywide cooperative idea was being advanced without significant support from transportation supervisors and directors. After the initiative began to advance, transportation supervisors and directors became lead members of the working group, which was extremely beneficial to the success of the countywide bid. The school district transportation personnel have tremendous experience and insights from working on contract transportation firsthand. Their knowledge was instrumental in developing the bid specifications, working with transportation vendors, soliciting school district participation and overall structuring and implementing the bid. If this initiative is implemented in other areas of the state, it is highly recommended that a representative group of transportation supervisors be included at the onset of the initiative.

Bid Implementation Timeline. It is very important to develop a bid implementation timeline that provides for enough time to notify school districts of the bid, collect the necessary route and pupil information, compile/review and publish the bid specifications, open the bids, and then analyze and distribute bid results to the participating school districts. One of the most labor-intensive components of bid implementation is collecting, verifying, and compiling the route information from school districts for inclusion the bid. The working group developed a bid collection template (Excel-based) that was distributed to school districts. These templates include all information needed for vendors to offer bids on the routes (e.g., student information, originating school district, destination school district, # of pupils transported, etc.) With hundreds of unique routes included in each bid and the fact the bid structure required compiling routes on a five-region basis, it is recommended that any consortium pursuing this initiative include in their timeline a review period where participating school districts can review and confirm/edit their submitted routes. Having this review period will likely reduce confusion among potential vendors, reduce the amount of time spent on bid amendments, and overall contribute to an effectively administered bid.

Initiative Buy-in and Expansion. In Nassau County there are 56 school districts. Of the 56 school districts, there are 34 (61%) that have participated on either the 2011 or 2012 bid (or both). Over the past two years, the working group has worked to expand the initiative participation to other school districts. While there are various reasons a school district may not want to participate the working group found that communication is critical to expanding initiative participation. Additionally, when communicating about the bid it is very important to include not only school district superintendents and board members but also school district transportation department personnel. There is often reluctance to join any new initiative and the working group recommends including demonstrated savings or estimated savings in any communication. While maintaining or improving the current level of service was a requirement of the initiative, realizing cost savings continues to be a top priority especially under current revenue and cost pressures.

Bid Structure. The working group learned that development of the bid structure requires thoughtfulness and careful planning. In Nassau County there are four regional transportation cooperatives already in operation, each with varying bid structures. The countywide consortium decided to replicate the regional cooperatives and created five regions within the bid specifications. In the first year of the initiative, the bid requested unique pricing for submitted route regardless of region. In the second year of the bid, the working group decided to change the bid structure to require vendors to provide only one price for routes originating in the same region and going to the same destination school—a deviation from the first year bid. After a review of the first-year bid results and discussing and reviewing the regional cooperative structures, it was determined by the working group that this was a better structure for pricing purposes. It is recommended that any consortium carefully develop their bid structure in concert with experienced transportation consortium members and be prepared to, and have the capacity to revise the structure if improvements can be made.

Transportation Vendor Outreach. It is recommended that the transportation consortium inform the vendors of the intent of the consortium and keep them abreast of key information (e.g., bid timeline). This working group learned that in order to minimize speculation and confusion it was very important to keep the vendors (at least informally) aware of the intent of the countywide consortium. Especially for school districts or regions where cooperative transportation bidding is a new concept, communicating with transportation vendors will help provide for an effective bid implementation.

Prototype Modifications

Many of the above-described implementation steps and challenges will be common to all transportation consortiums. However, modifications may be made to accommodate unique school district considerations that are not present in Nassau County:

Without the involvement of a regional BOCES: An Inter-municipal Agreement among participating school districts may be setup, with an ad-hoc working group or Steering Committee guiding the RFP selection and vendor administration processes. Also, another governmental unit, such as a county purchasing office, may serve as the host to receive proposals.

With multiple BOCES: Districts in areas served by two or more BOCES may enter into shared services agreements to be facilitated by just one of the BOCES. Alternatively, shared services initiatives and other projects may be collaborations between the multiple BOCES, in which the resources and expertise of the multiple BOCES are combined. Joint BOCES boards may operate via Inter-municipal Agreement.

In coordination with municipalities: The Nassau Transportation Consortium was not extended to municipalities, as it established coordination in school-related transport. However, during the third year of the initiative the working group expanded the consortium to Nassau County for pre-school special education transportation. Counties are required to provide pre-school special education transportation and Nassau County currently bids out these routes separately. In the 2012-13 bid, the group included these routes in the countywide consortium bid.

Spanning a Multi-County Geographic Area: The Nassau Transportation Group involved participants only from County school districts. The combined enrollment of the districts and the availability of local companies to respond to the RFP presented enough of a cumulative effect to only involve school districts in the county boundaries. However, areas with low populations and rural counties may not be able to involve enough school districts to effectively capitalize on combined purchasing power. Also, the availability of companies from which to competitively award a bid or proposal may be limited in suburban or rural areas. In these instances, school districts may form consortiums that span a multi-county area or otherwise wide geographic territory. Many contractual services that are bid or solicited for proposals are often New York State mandates that are common to all state school districts.

Without Grant Funding: Post-grant period the working group plans to continue operations without the financial support of grant funding. In order to do this the working group will need to make determinations on key issues including the governance structure, financial plan, and bid administration. Currently the transportation initiative is administered through the transportation working group under the auspices of the 21st Century demonstration grant.

Governance Structure: When the grant expires the initiative will need a new administrative structure for ongoing operations. The working group has reviewed and discussed creating an Advisory Board to handle the administrative responsibilities necessary to continue the out-of-district transportation initiative. The Advisory Board will operate through Nassau BOCES and therefore will require the Nassau BOCES Board to pass a resolution creating the Advisory Board. Advisory Board membership would consist of current transportation working group members and it will be important to maintain the current membership representation throughout the initiative. School Districts wishing to participate in this initiative would need to pass a participating resolution every year that the Advisory Board issues a bid.

Administration: The Advisory Board would be responsible for administering the out-of-district transportation bid. This includes developing bid specifications, collecting and analyzing bid data, setting bid timelines, communicating with school districts, identifying initiative savings and other necessary administrative duties. Throughout the grant period the working group has been supported by a transportation consultant that has provided analytical and research support. The Advisory Board could continue to utilize the support of a transportation consultant to support the bid implementation or could choose to administer the bid entirely through members of the Advisory Board or their represented entities.

Financing: Throughout the grant period the transportation initiative has been supported by a transportation consultant that provided bid implementation and advisory services. The transportation consultant has been paid with grant funds over the past three years. If the Advisory Board continues to utilize the services of a transportation consultant then the Advisory Board will need to determine how the consultant will be paid. The working group discussed various forms of equitable funding models and it was determined that a flat fee structure for participating school districts would likely be the most equitable and easily administered. Based

on past transportation consultant costs and bid participation it is estimated that going forward participating school districts will be required to provide approximately \$1,000 to participate in the bid. Although bid participation and the scope of the bid could change, the following table illustrates estimated bid participation fees. Actual fees would be effectively lower for participating school districts since the bid is provided through Nassau BOCES and these expenses are aidable.¹⁷

Estimated Bid Participation Fees based on Participating School Districts and Transportation Consultant Costs

# of School Districts Participating	Transportation Consultant Costs		
	\$25,000	\$30,000	\$35,000
10	\$2,500	\$3,000	\$3,500
28	\$893	\$1,071	\$1,250
56	\$446	\$536	\$625

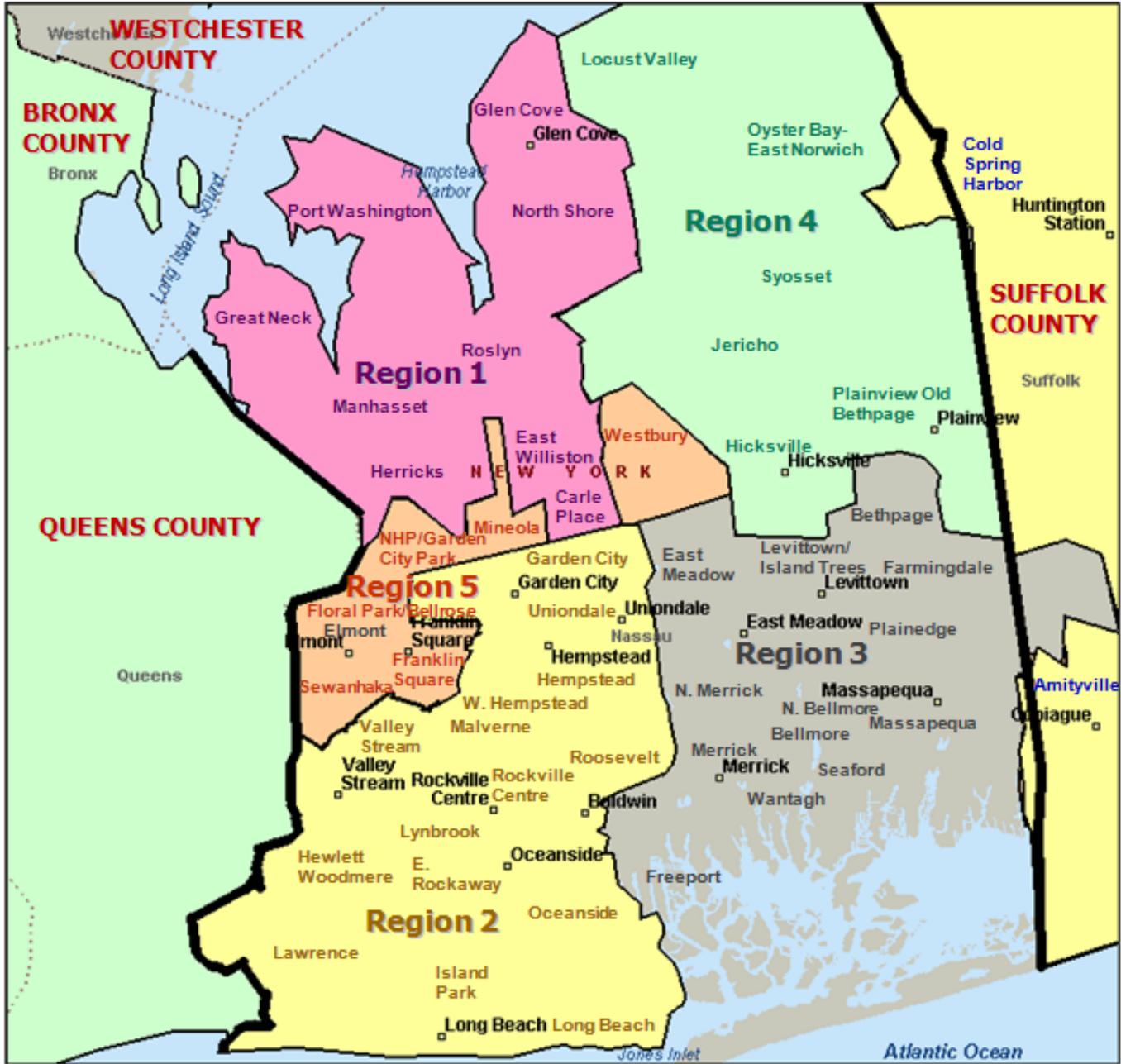
¹⁷ New York State Education Law, Section 1950, Subdivision 5

Appendix

Transportation Working Group Members

Name	Title	Affiliation
Robert Bartels	Assistant Superintendent-Business and Personnel	Rockville Centre School District
Rich Cunningham	Deputy Superintendent	West Hempstead School District
Robert Hanna	Deputy Superintendent	Nassau BOCES
William Johnson	Superintendent	Rockville Centre School District
Martin Kaye	Board Member	Nassau-Suffolk School Boards Association
Sandy Munz	Transportation Supervisor	Bellmore-Merrick School District
Mike Onufrey	Transportation Supervisor	Sewanhaka School District
James Popkin	Transportation Supervisor	Syosset School District
Lori Rowcroft	Transportation Supervisor	Nassau BOCES
Wilma Stubbs	Transportation Director	Port Washington School District
Carol Vitelli	Senior Account Clerk	Rockville Centre School District

Countywide Out-of-District Transportation Consortium Map



Working Group Meeting Notes – To Be Added

Copy of Bid Documents - To Be Added