



TRANSPORTATION ADVISORY SERVICES

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October 30, 2019

Mr. Al Diamico  
Director of Transportation  
Buffalo Public Schools  
105 Bailey Avenue  
Buffalo, NY 14220

Dear Al:

Thank you for allowing **TAS** to again work with the District on the development and issuance of Transportation Bid specifications for the provision of home-to-school, special needs, field and sports trips, summer general education, and summer special needs services for a five-year period (school years 2020-2021 - 2024-2025 for Home-to-School, Special Needs and Field and Sports Trips; 2020 – 2024 for Summer Home-to-School and Summer Special Needs). Following is a high-level summary of the bid process, including our analysis of the bids submitted.

1. **TAS** held multiple meetings at the District, as well as via telephone, to discuss the current transportation operation, and to identify issues that should be addressed in any new specifications. Subsequent to these meetings, draft specifications were developed and submitted to the District for review and comment.

Numerous revisions to the specifications were made over the next months by Buffalo Public Schools' representatives including the Transportation Department and the Office of Purchase. Additionally, the District's Law Department also reviewed the draft specifications.

2. Email notifications were sent to approximately 30 regional and national contractors, and the State and National Contractors' Associations, to notify contractors about the Bid opportunity. In addition to the direct contractor notifications, the Associations disseminate the opportunity to all their members. The bid notice information was also posted on the **TAS** website where all upcoming bids are identified and where contractors frequently check for opportunities. The District also placed their mandatory Legal Notice in the paper of record.
3. The specifications were placed on the District's website on August 28, 2019. Another email notification was sent to all contractors notifying them of the specification placement, and providing a hyperlink to the site.

4. A prebid meeting was held at the District's Service Center on September 19, 2019. A detailed agenda was developed along with a PowerPoint presentation about the bid opportunity. Several District representatives attended the meeting, along with the following contractors: First Student, Student Transportation of America, Durham, WNY Bus Co., Cedar Bus, Metrohealth Transportation and Transpo Bus Services.
5. Subsequent to the prebid meeting, questions were submitted to the District which were answered in Addendums #1 & #2, dated September 25, 2019 and October 2, 2019, respectively. The Addendums were posted on the District's website, and **TAS** emailed all contractors a notice that an addendum had been posted.
6. The bid submission date was October 10, 2019.
7. Four bids were received – one for each contract from First Student (incumbent contractor) and Student Transportation of America (STA). Durham School Services, L.P. submitted on Contracts #3-#10 and Transpo Bus Services LLC dba TBS submitted on Contract #5 only.
8. Each contractor submitted a detailed bid proposal in the binder format required in the specifications. Additionally, each contractor returned the flash drive provided at the prebid meeting with the Excel pricing sheets completed.

**TAS** performed a limited compliance check and proposal review for each contractor. It should be noted that each contractor submitted extremely professional and compliant bid proposals. Each of the contractors met the strict requirements of the specifications.

9. As a part of the review process, a detailed analysis was performed by **TAS** using a spreadsheet program that was based upon the projected volumes that were included in the specifications. *It is important to state that the bid cost calculations only represent the calculated bid prices and may not represent the actual cost of the contracted relationship.* The projected volumes are developed to facilitate a consistent cost comparison between bid submittals that includes a review of all pricing categories.
10. As detailed in the specifications, the low bid on each contract is determined based on the lowest five-year aggregate net cost. Each contract requires a separate analysis and a separate award.

At **Appendix A**, you will find a chart illustrating the five-year aggregate cost comparisons between the four contractors, based on **Gross Contract Costs** (contract costs prior to proposed discounts).

At **Appendix B**, you will find a chart illustrating the five-year aggregate cost comparisons between the four contractors, based on the **Net Contract Costs** (contract costs after applicable proposed discount of 7%).

At **Appendix C**, you will find a chart illustrating the **Final Award** of all ten contracts, based on net contract costs plus the consideration of proposed contingencies for the specific contracts awarded.

The bid specifications provided an opportunity for the contractors to offer a discount if they were awarded multiple contracts. Appendix B details the net proposed contract costs, after the discounts have been applied. Of particular note is the fact that after applying the proposed discounts, First Student became the low bidder on contract 5, rather than STA of NY. First Student offered a 7% discount as compared to STA of NY's 1% discount, resulting in a lower net contract cost for First Student.

Utilizing net contract costs, First Student was the low bidder on Contracts 1 through 8. It should be noted that First Student would not accept contract 8 without being awarded contracts 1-4, for which they were the lowest bidder. STA was the low bidder on Contract 5 based on gross contract price. However, once the submitted bid discounts were applied, STA was replaced as the low bidder by First Student. The awarding of Contract 5 was not contingent upon First Student being awarded any other contracts.

Durham was the low bidder on Contracts 9 and 10. It should be noted that Durham would not accept contract 9, unless awarded contracts #3 and #4, for which they were not the lowest bidder. For contract #10, Durham would not accept contract 10, unless awarded contracts #6 and #7, for which they were not the lowest bidder. In each of these circumstances, the next lowest bidder was First Student.

11. We recommend that the District meet with First Student to discuss their bids, including a detailed conversation relative to the transition plan which should document how and when they will meet the requirements of the bids. Additionally, the District has the right to negotiate down any individual rate as long as the change is not due to a change in the terms or conditions of the specifications. In other words, if a price concession can be reached on any item that does not change what the District required, that would be permissible.

We recommend that the District take action on the new contracts at the earliest possible date in order to facilitate implementation of the new contracts.

12. Once a final determination is made on the awards, we recommend that you send a letter to STA, Durham, and Transpo thanking them for their interest in your program. Maintaining professional relations can be very important should you require any services in the future. It is very important that you notify them to allow each of these contractor's time to terminate the bonds provided with the bids.

Thank you, again, for allowing **TAS** an opportunity to work with the Buffalo Public Schools on this important project. Should you have any questions about this letter, or the bid process/analysis, please do not hesitate to contact me.

Sincerely,



**Brian Lafountain, CPA, CFE**  
Certified Public Accountant

**Buffalo Public Schools - Transportation Bid  
Gross Contract Costs  
Appendix A**

<b>BID COMPARISON – 5 YEAR AGGREGATE BIDS</b>					
	<b>First Student</b>	<b>STA of NY</b>	<b>Durham</b>	<b>Transpo</b>	<b>Difference<sup>1</sup></b>
1 – Home-to-School	\$33,648,194.70	\$36,081,562.50	No Bid	No Bid	(\$2,433,367.80)
2 – Home-to-School	\$33,648,194.70	\$36,081,562.50	No Bid	No Bid	(\$2,433,367.80)
3 – Home-to-School	\$33,648,194.70	\$36,081,562.50	\$43,736,242.50	No Bid	(\$10,088,047.80)
4 – Home-to-School	\$33,648,194.70	\$36,081,562.50	\$46,293,224.40	No Bid	(\$12,645,029.70)
5 – Home-to-School	\$9,381,577.50	\$9,330,427.80	\$10,150,214.40	\$11,866,601.04	(\$2,536,173.24)
6 – Home-to-School (SN)	\$44,015,349.60	\$43,765,909.20	\$43,406,204.40	No Bid	(\$609,145.20)
7 – Home-to-School (SN)	\$43,715,312.10	\$43,472,931.30	\$43,097,804.10	No Bid	(\$617,508.00)
8 – Field & Sports	\$2,086,586.50	\$2,135,547.00	\$2,245,396.00	No Bid	(\$158,809.50)
9 – Summer Gen. Ed.	\$5,221,598.20	\$5,501,472.70	\$4,278,015.80	No Bid	(\$1,223,456.90)
10 – Summer (SN)	\$11,212,394.10	\$11,204,019.15	\$8,393,010.45	No Bid	(\$2,819,383.65)
Totals	<u>\$250,225,596.80</u>	<u>\$259,736,557.15</u>	<u>\$201,600,112.05</u>	<u>\$11,866,601.04</u>	

1 - Represents the difference between the Low and High bids only

**NOTE:** The items highlighted in yellow represent the lowest bidder amounts

**Buffalo Public Schools - Transportation Bid  
Net Contract Costs  
Appendix B**

<b>BID COMPARISON – 5 YEAR AGGREGATE BIDS <u>WITH 7% DISCOUNT (FIRST STUDENT)</u></b>					
	<b>First Student</b>	<b>STA of NY</b>	<b>Durham</b>	<b>Transpo</b>	<b>Difference<sup>1</sup></b>
1 – Home-to-School	\$31,292,821.07	\$36,081,562.50	No Bid	No Bid	(\$4,788,741.43)
2 – Home-to-School	\$31,292,821.07	\$36,081,562.50	No Bid	No Bid	(\$4,788,741.43)
3 – Home-to-School	\$31,292,821.07	\$36,081,562.50	\$43,736,242.50	No Bid	(\$12,443,421.43)
4 – Home-to-School	\$31,292,821.07	\$36,081,562.50	\$46,293,224.40	No Bid	(\$15,000,403.33)
5 – Home-to-School	\$8,724,867.08	\$9,330,427.80	\$10,150,214.40	\$11,866,601.04	(\$3,141,733.97)
6 – Home-to-School (SN)	\$40,934,275.13	\$43,765,909.20	\$43,406,204.40	No Bid	(\$2,831,634.07)
7 – Home-to-School (SN)	\$40,655,240.25	\$43,472,931.30	\$43,097,804.10	No Bid	(\$2,817,691.05)
8 – Field & Sports	\$1,940,525.45	\$2,135,547.00	\$2,245,396.00	No Bid	(\$304,870.55)
9 – Summer Gen. Ed.	\$4,856,086.33	\$5,501,472.70	\$4,278,015.80	No Bid	(\$1,223,456.90)
10 – Summer (SN)	\$10,427,526.51	\$11,204,019.15	\$8,393,010.45	No Bid	(\$2,811,008.70)
Totals	<u>\$232,709,805.03</u>	<u>\$259,736,557.15</u>	<u>\$201,600,112.05</u>	<u>\$11,866,601.04</u>	

1 - Represents the difference between the Low and High bids only

**NOTE:** The items highlighted in yellow represent the lowest bidder amounts

**Buffalo Public Schools - Transportation Bid  
Final Award  
Appendix C**

<b>BID COMPARISON – 5 YEAR AGGREGATE BIDS <u>WITH 7% DISCOUNT &amp; STIPULATIONS</u></b>					
	<b>First Student</b>	<b>STA of NY</b>	<b>Durham</b>	<b>Transpo</b>	<b>Difference<sup>1</sup></b>
1 – Home-to-School	\$31,292,821.07	\$36,081,562.50	No Bid	No Bid	(\$4,788,741.43)
2 – Home-to-School	\$31,292,821.07	\$36,081,562.50	No Bid	No Bid	(\$4,788,741.43)
3 – Home-to-School	\$31,292,821.07	\$36,081,562.50	\$43,736,242.50	No Bid	(\$12,443,421.43)
4 – Home-to-School	\$31,292,821.07	\$36,081,562.50	\$46,293,224.40	No Bid	(\$15,000,403.33)
5 – Home-to-School	\$8,724,867.08	\$9,330,427.80	\$10,150,214.40	\$11,866,601.04	(\$3,141,733.97)
6 – Home-to-School (SN)	\$40,934,275.13	\$43,765,909.20	\$43,406,204.40	No Bid	(\$2,831,634.07)
7 – Home-to-School (SN)	\$40,655,240.25	\$43,472,931.30	\$43,097,804.10	No Bid	(\$2,817,691.05)
8 – Field & Sports	\$1,940,525.45	\$2,135,547.00	\$2,245,396.00	No Bid	(\$304,870.55)
9 – Summer Gen. Ed.	\$4,856,086.33	\$5,501,472.70	\$4,278,015.80	No Bid	(\$1,223,456.90)
10 – Summer (SN)	\$10,427,526.51	\$11,204,019.15	\$8,393,010.45	No Bid	(\$2,811,008.70)
Totals	<u>\$232,709,805.03</u>	<u>\$259,736,557.15</u>	<u>\$201,600,112.05</u>	<u>\$11,866,601.04</u>	

1 - Represents the difference between the Low and High bids only

The items highlighted in yellow represent the lowest bidder amounts

**Notes:**

First Student was the low bidder on contract #8, but would not accept that contract unless awarded contracts #1 thru #4. First Student was, in fact, the low bidder on contracts #1 thru #4.

Durham was the initial low bidder for contract #9, but would not accept contract #9 without the award of contracts #3 and #4. Durham was not the low bidder on contracts #3 and #4. Therefore, the contract would transfer to First Student as the next lowest bidder.

First Student was the next lowest bidder on contract #9, but would not accept that contract unless awarded contracts #1 thru #4 and contracts #6 and #7. First Student was the low bidder on contracts #1 thru #4, and was also the low bidder on contracts #6 and #7. Therefore, contract #9 would transfer to First Student as the next lowest bidder.

Durham was the initial low bidder for contract #10, but would not accept contract #10 without the award of contracts #6 and #7. Durham was not the low bidder on contracts #6 and #7. Therefore, contract #10 would transfer to First Student as the next lowest bidder.