

From: (800) 858-9615  
 Chris Andrews  
 TAS  
 7512 Dr. Phillips Blvd.  
 #50-905  
 Orlando, FL 32819

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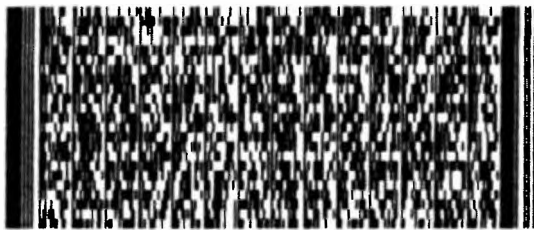
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**Student Trans RFI #11-02**  
**Office of the Governor**  
**State of North Carolina**  
**1205 Pendleton St.**  
**Columbia, SC 29201**

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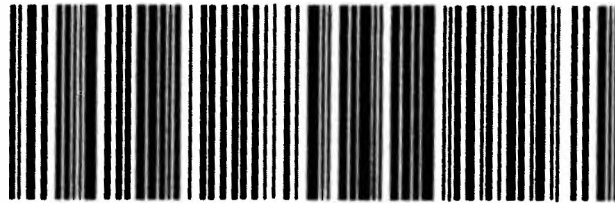
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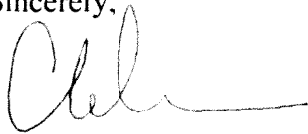
MAY 31 2011

Re Baker

Answered \_\_\_\_\_

We have provided our Student transportation consulting services for hundreds of school districts in 19 states during the past 25 years. (Enclosed please find detailed information about our firm.) It is my belief that you could benefit from our experience and third-party status, enhancing the opportunity for cost savings State-wide. If you would like to contact me, or Mark Walsh, President of **TAS**, we would be happy to discuss your needs further.

Sincerely,

A handwritten signature in cursive script, appearing to read "Chel", followed by a horizontal line extending to the right.

Christopher J. Andrews  
Senior Consultant

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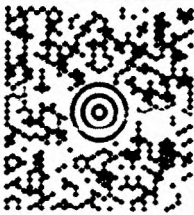

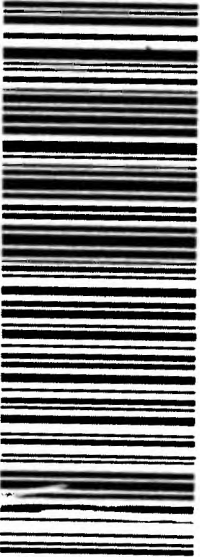

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## **The Trans Group, LLC Responses to RFI #11-02**

### **Structure of the Procurement(s)**

To achieve economies of scale and reduce administrative costs, the state intends to combine some school districts together, and bid their transportation services as a single lot. What factors should the state take into consideration as it aggregates smaller districts together (for instance, population density)? Do you have suggestions as to how the boundaries should specifically be drawn between the individual lots? Also, how would contracts be managed, if a single procurement activity resulted in contracts for several districts?

- *To achieve the highest economies of scale by combining districts pupil and extra-curricular transportation, several factors should be considered. As mentioned, population density is important, especially with the goal of a maximum one hour ride time, to which we agree should be the goal. Other factors include the overall geography and footprint of the combined districts. Bell times will most likely need adjusted to optimize the tiering (layering or combining) of routes per bus. This method, when scheduled and routed correctly, will provide the greatest savings to the State and individual school districts.*
- *Additionally, a centrally located maintenance/dispatched location would be an advantage. Having viewed a few of the state school bus maintenance locations, it may be feasible to add dispatch and driver service capabilities at these some of these existing sights.*
- *The management of consolidated districts transportation services is relatively easy. Once the routes are designed and bell times altered to maximize efficiency, a centralized manager who oversees the combined transportation efforts would be the most effective. This will eliminate the struggles associated with typical shared resources, such as buses, drivers, maintenance and labor.*

If the privatization effort is to be phased-in over the course of two or more years, are there certain areas that should be priorities for transition, and if so, why?

- *During the phasing period of two years, it would be our recommendation that the districts that clearly have a stand-alone transportation need and located closest to the state maintenance facilities, be privatized first. These will ease with the transition and allow ample time to gather the necessary information to determine if consolidation of other districts transportation can be achieved without disrupting curriculum or major changes in students (parents) schedules. Our experience tells us that major changes to bell times may be met with opposition from parents, however, it is often short lived.*

## Operations

What opportunities would existing employees be given to retain their current (or similar) positions? How would they be evaluated? How often have incumbents been retained during similar transitions?

- *While most current employees will be retained during privatization, employees must meet our companies hiring standards and pass normal drug, alcohol and background screening reviews. Input from the districts is always welcome and quite frankly needed during these reviews. This is not to say that all employees are guaranteed a position, however, it only makes sense to retain as many of the existing qualified personnel as possible which will help ensure a seamless transition.*

Similar contracts issued by other public-sector entities have contained reserve requirements obligating contractors to have additional buses available at all times; often this factor is set at ten percent of the number of buses that the contractor requires in order to fulfill its daily route service obligations under the contract. Is this an appropriate means for the state to assure that services will be provided, and if not, what alternate mechanism would you propose?

- *We would agree with the 10% spare bus ratio that you mention, except possibly in the case some district consolidations or certain population density scenarios. An example of this would be that if two neighboring districts could share spare buses and not negatively impact service, then a savings would be possible. Another approach would be to retain a certain number of the current state-owned buses to be used for spares and back-ups.*

Depending on how school districts are organized into lots, certain contracts will apply to territories containing multiple maintenance facilities. How should the state evaluate opportunities to combine or eliminate facilities? How should maintenance and repair activities be performed and funded? Is there a realistic approach that would permit the state to divest itself of all its maintenance facilities?

- *The combination and/or elimination of existing maintenance facilities should be done in conjunction and collaboration with the private contractor operating in that area. Obvious factors to take into consideration will be dead-head or empty drive time, facility capacity, parking, ability to dispatch from same location and overall ability to centralize and not negatively impact service. Maintenance on the current state-owned buses (during the overall transition phase) can be performed by the contractor and billed back to the state at an agreed upon rate. Limits should be set and approval levels established. The state should be able to divest itself of the existing maintenance facilities throughout the overall transition phase by working with the contractors to design the most optimal operating systems by district, consolidated or not. In some cases, the contractors will want to lease/purchase the existing facilities, and in other cases, a different location will be necessary to provide the best service with the least cost to the state/district. The divesting of facilities will not happen overnight but should be a long term goal of the state and can be accomplished with the assistance of the contractor(s).*

## **Measuring and Promoting Program/Performance Improvement**

How can performance indicators be used as part of the overall operator compensation strategy, in order to create incentives to reduce costs and/or deliver outstanding service? What elements of an operator's compensation can/should be placed at-risk?

- *As long as realistic routes are designed in conjunction with the contractor(s), various "pay for performance" options are available. On-time performance is often measured in 10-15 minute windows with a portion (often the amount over and above the true fixed cost or overhead) of the daily rate per route at risk for the provider. In the unlikely event of a missed route, the entire daily rate/route is at risk.*
- *We recommend that customer service surveys be conducted with each school Principle at various times throughout the year. These surveys often provide the best feedback and overall performance indicator. Any items noted that do not meet standards previously set should be given a cure period with daily rate/route risk, if not corrected timely.*
- *An example of incentives to reduce costs would be to use a "share the savings" thought process. If a contractor is able to reduce a route/bus and not negatively impact service at any level, the savings generated should be shared and listed as a separate line-item or miscellaneous charge on the invoice. This separate line-item billing works well in the event the route needs re-established at some point down the road. Generally speaking, if a route/bus is reduced, the administrative, maintenance and operating overheads for the individual district being serviced is not reduced. Therefore, the "share the savings" option is often viable for both parties.*

What performance measures and other standards of service would you propose for incorporation into the contract?

*Several of these would be considered "internal" measurements, however, very important for the overall success of the program.*

- *Safety Statistics*
- *On-time routes*
- *Driver shortages*
- *Driver turnover*
- *Missed trips*
- *PM compliance*
- *Vehicles out-of-service*
- *Customer service complaints*
- *Parent/community involvement*
- *Billing errors*

## **Promoting Innovation through Privatization**

How else can private-sector business practices be used in order to improve service delivery, bolster customer service, and/or reduce costs?

- *Work with leading transportation officials from various private-sector transportation companies to set minimum standards of student transportation service in the state.*
- *Bus specifications are another area in which the state can be supportive of the private contractors by working with the contractors association and bus suppliers. The state could consider an overall Key Performance Indicator, or balanced scorecard, as a way to measure the on-going success of the privatization efforts, by contractor.*
- *Awarding contracts in the same general geographic area to the same private contractor, regardless if transportation can be consolidated, may be beneficial as it would allow the contractor to centralize certain functions, share resources where possible and pass associated savings through to the districts.*

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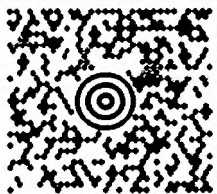
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1205 PENDLETON STREET  
COLUMBIA SC 29201-3713



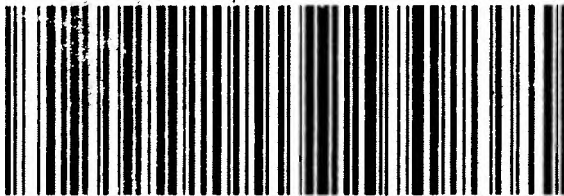
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**FedEx** *NEW Package*  
Express *US Airbill*

FedEx Tracking Number **8758 9602 2735**

**1 From** This portion can be removed for Recipient's records

Date 5/3/11 FedEx Tracking Number **875896022735**

Sender's Name ALAN HART Phone 512 241 4913

Company ALAN HART

Address 101 ST 1250 Dept./Floor/Suite/Room

City HOUSTON State TX ZIP 77055-2400

**2 Your Internal Billing Reference**

**3 To** Recipient's Name ALAN HART Phone

Company ALAN HART

Address 101 ST 1250 Dept./Floor/Suite/Room

Address 101 ST 1250

City HOUSTON State TX ZIP 77055-2400



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Earliest next business morning delivery to select locations. Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

☒ FedEx Priority Overnight  
Next business morning. Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

☐ FedEx Standard Overnight  
Next business afternoon. Saturday Delivery NOT available.

**2 or 3 Business Days**

**NEW FedEx 2Day A.M.**  
Second business morning. Saturday Delivery NOT available.

FedEx 2Day  
Second business afternoon. Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

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**5 Packaging** \* Declared value limit \$500

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☒ No Signature Required  
Package may be left without obtaining a signature for delivery.

Direct Signature  
Signature at recipient's address. No signature required. Fee applies.

Indirect Signature  
Signature at alternate address. No signature required. Fee applies.

**Does this shipment contain dangerous goods?**

☒ No ☐ Yes  
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Dry Ice (UN 1845)

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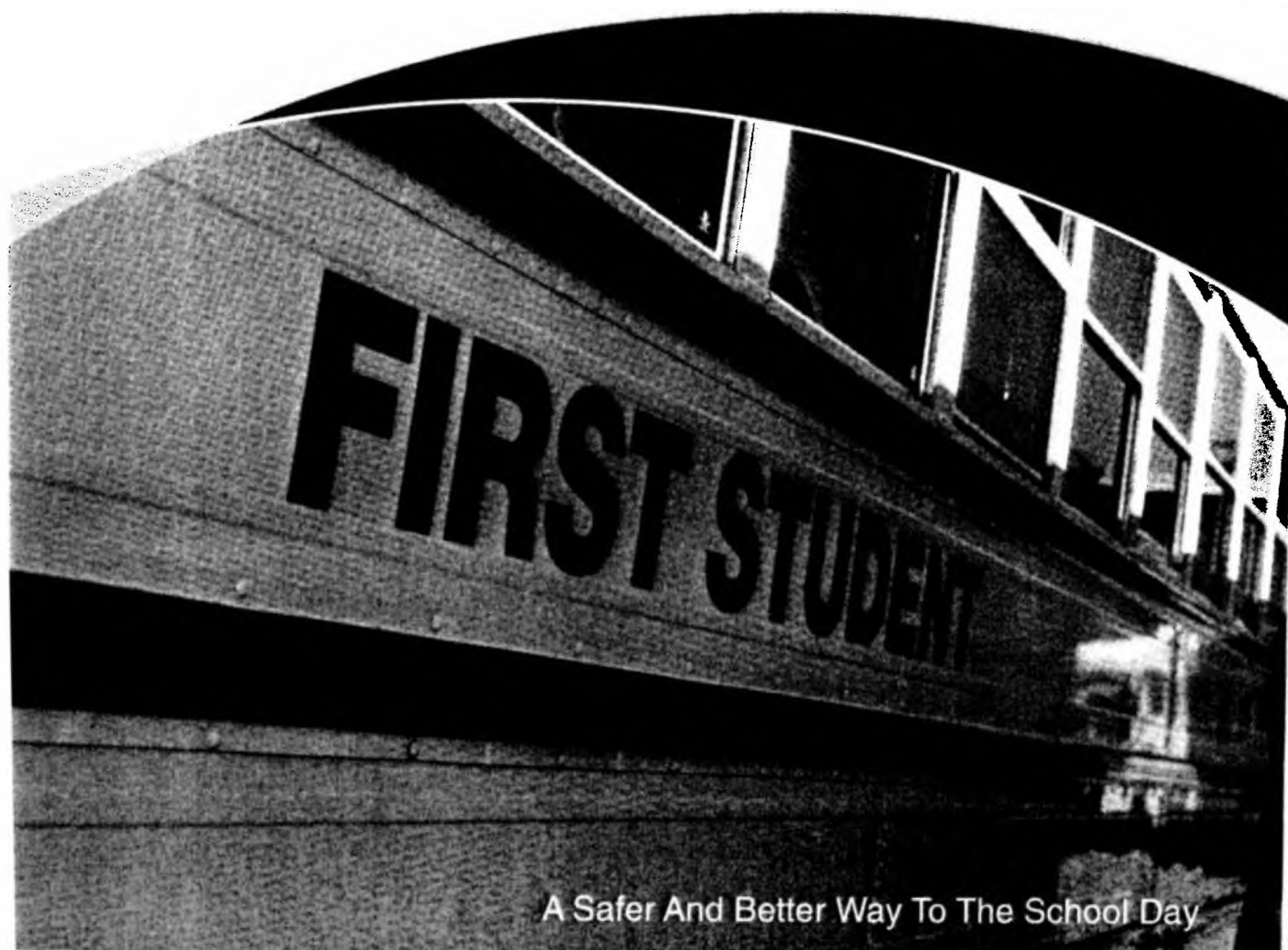
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**First**  **Student**

# Proposal to Furnish Student Transportation Services



May 27, 2011 – State of South Carolina



A Safer And Better Way To The School Day