



## NEWS RELEASE

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### NORWIN SIGNS FIVE-YEAR STUDENT TRANSPORTATION AGREEMENT WITH FIRST STUDENT Competitive Bidding Process Was a Catalyst for Safety, Efficiency, and Cost Effectiveness

NORTH HUNTINGDON, Pa. — Norwin School District has approved a five-year contract with First Student, Inc., to provide daily transportation for the 5,256 students in Norwin's seven school buildings.

At the Norwin Board of Education's March 20, 2017, Meeting, directors approved an approximately \$18.7 million contract with First Student. The contract runs from July 1, 2017 through June 30, 2022.

The contract is good for Norwin School District taxpayers and students. The contract was competitively bid during a nine-month process in which a Board-Administrative Committee reviewed all major aspects of student transportation services. Also, because the contract requires First Student to increase the efficiency of bus routing, there will be an anticipated cost avoidance of an estimated \$250,000 to \$275,000 per year compared to what Norwin School District would have been paying at current levels.

The District issued Requests for Proposals in June 2016, and five companies submitted proposals. The initial proposed bids received were approximately \$20 million over five years. This list was reduced to three finalists who the Board of Education interviewed. The list was further narrowed to the eventual awardee, First Student. The District hired a transportation consultation company to verify their understanding of how transportation could be improved. Through negotiations, the final cost of the contract was reduced to \$18.7 million, including transportation for out-of-District special education services, private, parochial, charter, and to Central Westmoreland Career and Technology Center.

This competitive bidding signifies a break with past practice in which the same bus contractor was awarded noncompetitive contract extensions. In the end, First Student was chosen as the awardee and will continue the service they have provided to Norwin School District for more than 30 years (as either First Student or its predecessor, Laidlaw). Still, the competitive bidding process helped Norwin School District to control costs and improve the overall school transportation service. For example, the new contract guarantees:

- **More efficient transportation software.** Norwin School District required the contractor to use Versatrans software, which will optimize the assignment of buses. The School District is anticipating that more efficient routing will reduce the number of stops (including home stops), maximize vehicle seating capacity, and reduce the number of vehicles in operation. It could also lead to the introduction of smaller vehicles for smaller groups of students.
- **Increased safety and security for Norwin students.** Norwin negotiated for an increase in the number of surveillance cameras on vehicles, from one to two. This has been shown to reduce bullying and discipline incidents. There will also be more training requirements for bus drivers and increased security measures at the bus terminal. Finally, identifying marks will be added to the top of the vehicles for improved aerial visibility in case of emergency. This was a recommendation that Pennsylvania State Police made to Norwin School District during a recent safety audit.
- **Newer buses and vans.** The contract requires First Student to phase in 46 new vehicles to its fleet during the course of the contract. These newer vehicles will increase the state transportation subsidy based on current formulas.

#### Bus Contract at a Glance

- Five Years  
(July 1, 2017 through June 30, 2022)
- Total cost to Norwin School District:  
approximately \$18.7 million.
- New software will create more efficient  
/ cost-effective routes
- Optimum levels of students per bus
- Ride length: Maximum of 45 to 50  
minutes per route
- More required training for bus drivers
- Bus stops will be relocated and/or  
removed
- 46 new buses to be added to fleet

- **Increased accountability for the contractor.** There will be increased penalties for the contractor for any contract violations, and quarterly operational performance reviews will be held to keep performance at optimum levels.

The contract freezes 2016-17 costs (with the exception of shared runs, which have a slight daily increase) for 2017-18 and limits annual increases to 2.5 percent for the remaining years of the contract.

Pennsylvania Auditor General Eugene DePasquale has encouraged school districts to re-bid student transportation contracts every time they are up for renewal as a best practice. Competitive bidding is a good business practice that provides for more transparency and results in cost avoidance.

“Competitive bidding drives cost-effectiveness,” said Mr. Robert Perkins, President of the Board of Education. “The School District made a conscientious decision to issue Requests for Proposals in these hard economic times. The Board has consistently strived to be fiscally conservative and responsible while ensuring quality services at an affordable price for the taxpayers.”

Dr. William Kerr, Superintendent of Schools; Mr. Rod Stewart, Coordinator of Student Transportation; and Mr. Jude Abraham, Interim Director of Business Affairs, are pleased with the results of the bidding process.

“The new contract has set high-quality expectations for our provider of student transportation,” Dr. Kerr said. “The School District believes that re-routing will provide significant reimbursement savings as well as a possible reduction in the number of vehicles, based on new software driving efficiency.”

Dr. Kerr added that the new routing software, Versatrans, may help in the future with elementary attendance assignments. He thanked the Board Committee that assisted with the competitive bidding process. The members included Mr. Robert Perkins, Board President; Mrs. Barbara Viola, Board Vice President; and members Mrs. Darlene Ciocca and Dr. Tracey Czajkowski. Other involved administrators included Dr. Kerr, Mr. Stewart, Mr. Thomas Wroblewski, Director of Human Resources; and Mr. Jude Abraham, Interim Director of Business Affairs.

Mr. Stewart is pleased that First Student, which has a regional bus terminal in North Huntingdon, was the chosen contractor. “Their people are local and know the system, the routes, and the children. And the children know their drivers,” Mr. Stewart said. “Their regional terminal is right in our backyard; however, First Student is a national company which houses its own division dedicated to routing software that works closely with the local terminal.”

Mr. Stewart advises parents and guardians that some bus stops will be relocated and/or changed in the interest of creating optimized bus routes. The new routing system will be customized for Norwin School District for safety, efficiency, and cost-effectiveness. Some buses have been running with extremely low student counts for the geographic size of Norwin School District, which is 36 square miles.

“Just because a bus stop has been at the same intersection for years doesn’t mean that it’s the best location for the number of children in the neighborhood,” Mr. Stewart said. “The factors considered for bus stops are demographics, geography of the area, and consideration for any ‘hazardous’ roads.”

Mr. Abraham said he believes that the use of routing software will help the District to yield additional savings. “It’s hard to see the savings without advanced software and trained personnel for full implementation,” Mr. Abraham said.

The Administration is exploring other options to reduce student transportation costs for extracurricular and co-curricular activities. The cost of just two aspects of student transportation in 2016-2017, according to district financial records, was \$99,977 for athletics transportation and \$34,000 for student activities transportation.

According to Pennsylvania Governor Tom Wolf’s budget proposal for 2017-2018, Norwin School District is slated to receive \$107,983 less in transportation subsidies than in the current year. Therefore, the District must pursue all areas of cost avoidance.

Norwin School District educates approximately 5,256 students at its seven school buildings, and is also required by state law to provide transportation for another 395 students who are enrolled in approximately 40 schools and daycares outside of Norwin School District, including private, parochial, charter schools, or out-of-District placements.