



LINCOLN PUBLIC SCHOOLS

MARY ELLEN NORMEN
ADMINISTRATOR FOR BUSINESS AND FINANCE

To: Becky McFall, Superintendent
School Committee
From: Mary Ellen Normen, Administrator for Business and Finance
Date: October 14, 2022
Subject: Proposed contract terms and timeline – FY24-28 Bus Transportation Bid

Contract terms. The current contract for bus transportation with Doherty's ends in July 2023. The administration proposes to advertise for a contract with the following scope of services and provisions. The goal for this IFB process will be to mitigate price fluctuations and inflationary pressures while still allowing the contract be profitable to the bidder.

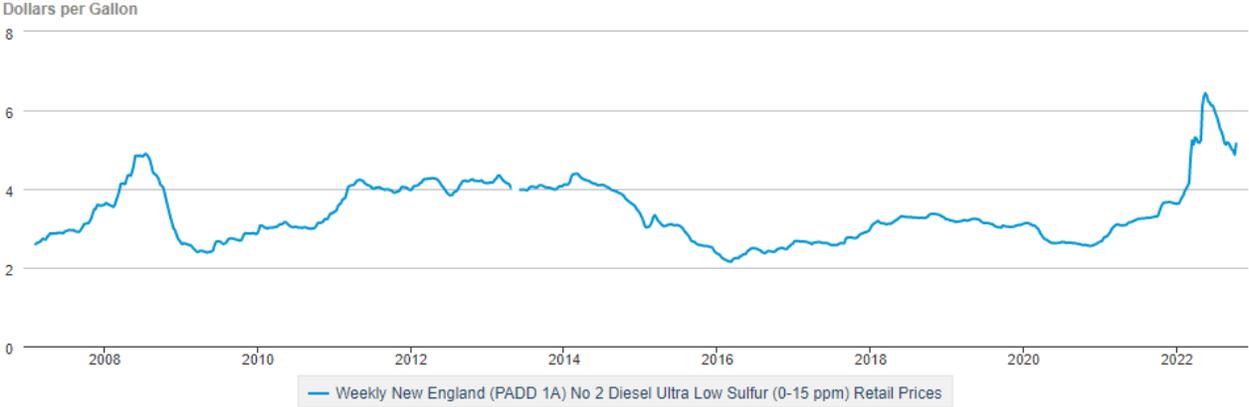
- **Term:** Three years plus two option years.
- **Payments:** Bidders to provide payment amounts for each year of the contract and option years.
- **Routes:** Bids to be based on seven routes for the Lincoln campus, each route with one morning and one afternoon trip. We currently have nine buses under contract. As fuel pricing escalates, past experience sometimes increases ridership as families find it cheaper to ride the bus, even for a fee, than to fuel their vehicles and drive to and from school.
- **Equipment:** All school buses must comply with current federal and Commonwealth of Massachusetts regulations. During the lifetime of the contract, no bus or chassis shall be more than six years old, nor have an original odometer reading of more than one hundred fifty thousand miles, and at least one of these vehicles must be new at the start of the first contract year.

Consider offering incentive for contractor to work with the district on alternative powered vehicles as new vehicles are purchased under the contract terms. If alternative powered vehicles are required under this contract, the business model for district transportation services must be redesigned prior to bidding this service or the contract shortened and vehicle replacement not be required under a shorter contract to allow for capitalization for future higher priced equipment.

- **Fuel Escalation/De-Escalation Clause: (NEW)** Add to this bid the recommended Inspector General Fuel Adjustment Clause to adjust fuel pricing during the life of the contract. Offering to mitigate fuel fluctuations we have seen in the last 12 months are enough to consider cost sharing the impact to keep the bus bid competitive. Attached is a sample agreement for the bid. Below is a link to the current fuel pricing in Massachusetts. Retail Diesel can be tracked at the following link https://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_r1x_w.htm or Rack pricing sample at <https://cstoredecisions.com/rack-prices/?city=boston-ma>

Weekly New England (PADD 1A) No 2 Diesel Ultra Low Sulfur (0-15 ppm) Retail Prices

[↓ DOWNLOAD](#)



Most bus contractors buy fuel at bulk or “rack” rates and have fuel storage depots to ensure that buses will run in the case of a shortage and also to control cost fluctuations.

- **Rule for Award:** Contract to be awarded to the responsible and responsive bidder with the lowest price based on the sum of the payments for the three contract years, including a performance bond and a representative group of field and athletic trips for each year.
- **Contract:** Use the same contract previously reviewed by counsel and approved by the School Committee, with updated specifications as noted above.

Timeline. The contract IFB schedule follows.

- November 18, 2022 Complete Bus IFB document for final review. Update and obtain Prevailing Wage for Bus Drivers (est \$27-\$30/hr up from \$25-\$27/hr), review current fuel pricing activity, and insurance levels.
- November 20-30, 2022 Begin process to post on COMMBUYS, Good and Services Bulletin and Lincoln Journal.
- December 7, 2022 Posted on line in Bulletin for Goods and Services and Lincoln Distribute bid packets: on site for pick up
- December 20, 2022 Mandatory Bidders’ Conference, 11:00 AM.
- January 6, 2023 Bid opening, 2:00 PM. Determine responsiveness.
- January 9-19, 2023 Check references and determine responsibility.
- January 26, 2023 Recommendation to SC for vote to award contract.
- January 26-31, 2023 Formally award contract.

BID FORM #5

Fuel Adjustment

This bid is based on a gasoline price of _____ per gallon and a diesel price of _____ per gallon and will be hereafter referred to as the “Base Price of Fuel.”

The Contractor agrees to maintain accurate and complete records relative to the use of gasoline and/or diesel fuel by each of its Lexington Public Schools’ vehicles. These records and all other information requested by the district shall be made available prior to the awarding of any fuel adjustment.

Beginning in the first year of the contract, and continuing for the duration of said contract, a fuel adjustment may be proposed based on the following formula:

When there is an average monthly variation of five cents (\$.05) per gallon or less, up or down, from the base price of gasoline, as established at the time of the contract bid, there will be no adjustment. On the first day of any month of any increase of more than five cents (\$.05) per gallon, additional payment for each one cent (\$.01) per gallon will be made to the contractor for the number of gallons used for transportation. **This must be accompanied by wholesale price verification from the gasoline supplier.** This will continue until gasoline prices come within the five cents (\$.05) per gallon variation allowance. If the average monthly cost of gasoline decreases more than five cents (\$.05) per gallon, a lesser payment of each one cent (\$.01) per gallon will be made to the contractor for the number of gallons used for transportation. This will continue until gasoline prices come within the five cents (\$.05) per gallon variation allowance. In both cases, any adjustment will be made each month for the term of the contract.

The amount of adjustment will be calculated as follows:

Gallons Used Per Day:

Total daily route mileage X miles per gallon of the vehicles

Gallons Used Per Month:

Gallons used per day X number of days that students were transported

Fuel Adjustment:

Gallons used per month X number of cents of variation from the base per gallon price

Signature:
Company:
Title:
Address:
Telephone:
Date:

Bidders shall submit this form fully completed with each bid.

FUEL COSTS

FC1. The amount of fuel consumed for purpose of adjustments will be determined by the total daily route mileage as defined in this contract - as adjusted to meet changing conditions. The adjustment will be based on the average price of fuel for the month as listed by Boston Tank Price to be used for computation of base cost included in these bid documents for the term of this contract. A copy of the price listing by Boston Tank price shall be submitted with the bid.

FC2. The monthly cost of the contract will be adjusted up or down based upon the price of fuel established at the time of the bid. Adjustments will be made only when the price varies from the base by plus (+) or minus (-) \$.05 and the adjustment will be made based on the average price for the month. Copies of the price listing (Boston Tank price) will be submitted when price adjustments are required or when requested by the school system.

FC3. The fuel adjustment will be accomplished using the following:

1. Established starting price of fuel (established at time of bid)
2. The fuel consumption rate in miles per gallon for 65-71 passenger buses shall be six (6). The amount of adjustment will be calculated by using the formula below:

$$\frac{\text{TOTAL DAILY ROUTE MILEAGE} =}{\text{Miles per gallon (6)}}$$

Gallons used per day X number of school
days that month X adjusted figure per gallon
(only above or below \$.05 per gallon)

***Calculations to be received on a monthly basis.**

Any change in the State motor fuel tax shall be adjusted on a penny-for-penny basis during the life of the contract. It will be separately computed outside the five cent price adjustment limit based on the gallons used per day as calculated in the above formula.

FUEL ADJUSTMENT CLAUSE

- 1.8 Fuel Adjustment: If the price of fuel increases or decreases by more than \$.199 per gallon from the 'Bid Base Price of Fuel,' 80 percent (80%) of the cost increase or decrease shall be debited or credited to the monthly invoice(s). The increase or decrease shall apply to each category of service, i.e., regular Newton Transportation and Newton METCO transportation, field trips, and athletic events. The fuel cost increase or decrease must remain in effect from the first operating day of the month through the last operating day of the month based on the actual price paid per gallon. In order to receive reimbursement for increased fuel costs as provided herein, the Contractor must provide receipts for said fuel on a monthly basis throughout the contract term as verification of such increase, as well as an accurate accounting (live miles per trip) of the fuel used for the City's services. Miles-per-gallon shall be based on the bus manufacturer's specifications. Under no circumstances shall the City absorb fuel costs not associated with the contract. The Contractor agrees to maintain accurate and complete records relative to the use of fuel under the Contract which shall be made available to NPS or METCO prior to the awarding of any fuel adjustment. (See also "Invoicing", Section 11.6)

Any change in the State motor vehicle fuel tax will be adjusted on a penny-for-penny basis during the life of the Contract. It will be separately computed outside the \$.199 adjustment limit, based on the gallons used per day as calculated above.