

Ministry of Education
School Business Support Branch
20th Floor, Mowat Block
900 Bay Street
Toronto ON M7A 1L2

Ministère de l'Éducation
Direction du soutien aux activités scolaires
20^e étage, Édifice Mowat
900, rue Bay
Toronto ON M7A 1L2



2009: SB 39

MEMORANDUM TO: Directors of Education

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: September 25, 2009

SUBJECT: Student Transportation – Contracting Practices Pilot Results

I am writing to provide you with additional information about student transportation and the contracting practices pilot projects.

Over the last year, the Ministry has engaged the sector through various initiatives and discussions to provide appropriate support in adopting best practices in contracting transportation services. Based on the draft resource package developed by the Contracting Practices Advisory Committee (CPAC), the Ministry initiated pilots in three consortia sites using these tools for competitive procurement. Halton Student Transportation Services, Student Transportation Services of York Region, and Wellington-Dufferin Student Transportation Services agreed to participate as pilot sites. The Ministry engaged Management Partnership Services Inc. (MPS) to provide advice in the development of procurement documents and to provide support to consortia over the course of the procurement process.

Through lessons learned from the pilot experiences, we have identified opportunities for refining the draft tools and procurement processes. The experience gained will also support the development of a suitable transition strategy for the sector in moving towards the public sector procurement standards.

On completion of the three pilots, MPS consultants met with all relevant stakeholder groups including the piloting consortia staff, relevant board procurement staff, and operator groups to solicit their thoughts on the RFP procurement process and templates. This memorandum provides a summary of the ideas shared by these groups.

Overall, the three consortia sites deemed the pilot project a success in achieving their goals to improve contracting practices and establish clear expectations for service delivery and value for money. The pilot project revealed an interest in the marketplace for new entrants and existing operators who want to expand their business. Training provided by the Ministry and OSBA was helpful in assisting medium and small operators

to understand the process and in preparing their proposals. Pilot results demonstrated that there were operators of various sizes that were successful and unsuccessful in this process.

More specifically, stakeholder feedback on the pilot process has provided the following comments for consideration:

Tools and Templates conduct

- The tools and templates developed by the CPAC were helpful, including the ability to customize and make modifications within the templates. The customization was further enhanced by differing procurement practices and policies among boards;
- The content in the resource guide is comprehensive, but requires editing on the flow and organization to eliminate repetition. The Contract Template in particular was the most useful to procurement staff in pilot sites;
- Clearer instructions regarding the organization of responses, and possible page limits to the proponents' responses would assist in the evaluations;
- A uniform submission sheet could be incorporated articulating requirements in a given area. This will help proponents understand the level of detail and responses sought by the consortia;
- Consider the addition of a criterion to the technical scoring for past experience or track record, but not local preference;
- All pilot sites had procurement documents reviewed by legal counsel.

Procurement Process

- All three sites felt the pilot project timeline was constraining and would begin the process earlier for the next cycle of procurement. Additional time between the date of award and start of service is helpful for successful proponents to prepare necessary capital needs;
- Maintaining diversity in the evaluation team is important;
- All questions submitted by proponents should be provided via addenda, including questions raised at the proponent meeting;
- No sites required proponent presentations as part of the evaluation;
- The debriefing process requires a set agenda to ensure consistency in communication to proponents;
- Policies regarding notifications to proponents after submission of proposals need to be clearly communicated to avoid confusion;
- Communicate timelines and process for contract award after RFP closes, especially during the "black out" period.

Sector Support

- Transportation is a sector where additional help and assistance will be required to prepare all stakeholders through the transition;
- Consortia will require professional procurement support from their boards or a third party consultant to actively participate in this important procurement initiative;
- Pilot sites were appreciative of the support provided by the Ministry;

- Training sessions provided by OSBA to their operators were very valuable in providing useful information on how to respond.

With the completion of the pilot project, the Ministry intends to refine tools and processes based on the feedback and recommendations. It is our intention to ensure that consortia entering into competitive procurement will benefit from the lessons learned and stakeholder feedback from the three pilot sites. As stated in Memorandum 2009 SB:22, the Minister will consult with sector stakeholders before determining next steps. Communications will be issued in early fall 2009 to provide clarity on the procurement direction for the sector for the 2010-11 school year. In the meantime, we would ask consortia to focus on ensuring appropriate contracts are developed to reflect the fuel escalator/de-escalator and performance management clauses, and that all contracts be signed.

If you have any questions or comments, please contact Sandy Chan, Manager, Transportation and Cooperative Services Unit at (416) 325-2464, or sandy.chan@ontario.ca.

We would like to thank the three consortia sites and their member boards for their participation and effort in the pilot project. The Ministry maintains a strong commitment to working with and supporting school boards in the transition to public procurement standards and ensuring that operators are supported to meet these requirements.



Cheri Hayward
Director
School Business Support Branch

Cc: Superintendents of Business
Transportation Managers
Ontario School Bus Association